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LEO HUBERMAN and PAUL M. SWEEZY
HARRY BRAVERMAN
STAUGHTON LYND
SCOTT NEARING
MAURICE DOBB

50 YEARS OF SOVIET POWER

JOAN ROBINSON
LISA FOA
I. B. TABATA
HANS BLUMENFELD
RUDOLPH SCHLESINGER

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50 YEARS OF SOVIET POWER

edited by LEO HUBERMAN and PAUL M. SWEEZY

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EDITORS: Leo Huberman and Paul M. Sweezy.

CHE

Che
you live
specter haunting moneyed hearts
son of Sandino murdered by Marines
grandson of Zapata cut down by landlords
lineage ancient—of Martí, San Martín, Bolívar
reaching to the rebel Christ crucified by older imperialism
poor brothers of the earth are your many children
who love and level the anger of their minds
at the cruel enemy you smote
yet to be brought down
you live
Che

—Dan MacGilvray

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50 Years of Soviet Power

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LESSONS OF SOVIET EXPERIENCE

BY LEO HUBERMAN AND PAUL M. SWEEZY

Anniversaries are traditionally a time for celebration, and there is indeed much to celebrate on this anniversary of the Revolution which overthrew not only the *ancien regime* but the whole system of capitalism in Russia 50 years ago this month.

Never before had a revolutionary leadership acted with such profound historical insight, with such bold decisiveness, with such a perfect sense of timing. What had seemed to many the empty boast that Marxism was a science of revolution was triumphantly vindicated by Lenin and his fellow Bolsheviks in 1917.

Never before had a working class become the ruling class of a great country, and never had any revolutionary class fought more tenaciously and courageously against as formidable a coalition of domestic and foreign enemies.

Never before had such radical and irreversible changes in the structure of a society been effected in so short a time.

But perhaps most important, never before had a revolution had such repercussions or evoked popular interest and sympathy on a world-wide scale. The American and French Revolutions of the 18th century shook Europe and its overseas offshoots to their foundations but left the rest of the world, by far the largest part of the world in both population and territory, largely untouched. It was precisely this largest part of the world that the October Revolution at long last stirred into motion and pushed onto the long and arduous road of social transformation. Before 1917 Marxism and socialism were essentially European phenomena; after 1917 they rapidly developed into the only universal ideological and political movement the world has ever known.

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"I have been over into the future and it works," said Lincoln Steffens after a visit to Russia in 1918. Never were truer or more prophetic words spoken. The October Revolution marked the birth of the historical era of socialism, and for this supreme achievement we celebrate it today as mankind will continue to celebrate it for centuries to come.

But there is more to celebrate too. Historically speaking, 50 years are a very short time; and it could easily have happened that during its first half century socialism might have made little headway or might even have been temporarily crushed in its birthplace by the forces of international counter-revolution. That this did not happen, that instead socialism spread in little more than three decades to vast new areas of the earth, is due in very large part to the unprecedentedly rapid industrialization of the Soviet Union in the late 1920's and the 1930's. If this massive industrialization had not been successfully carried through in time, the Soviet Union would have lacked the economic and military strength to withstand the Nazi onslaught of 1941; and the revival of socialism within the USSR and its spread to other lands might not have occurred for many years. Nearly two decades of forced industrialization and total war cost the people of the USSR more than 20 million lives and untold suffering. But these heavy sacrifices were not in vain, nor were those who made them the only beneficiaries. By timely preparation and heroic struggle, the Soviet Union played the decisive role in smashing the fascist bid for world power and thereby kept the road open for the second great advance of socialism in the period after 1945. For these historic achievements no less than for the October Revolution itself, mankind owes a lasting debt of gratitude to the Soviet Union and its people.

Spokesmen for the Soviet regime both at home and abroad claim yet another achievement which they believe mankind should celebrate on this 50th anniversary. The Soviet Union, they say, has not only laid the foundations of socialism through nationalizing the means of production, building up industry, and collectivizing agriculture; it has also gone far toward erecting on these foundations the socialist edifice itself—a society such as Marx and Lenin envisaged, still tainted by its bourgeois origins but steadily improving and already well along the road to the ultimate goal of full communism. If this were true, it certainly

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should be celebrated, perhaps more enthusiastically than any of the other achievements of the first half century of Soviet existence. For then we should know that, at least in principle, mankind has already solved its most fundamental problems and that what is needed now is only time for the Soviet Union to work the solutions out to their ultimate consequences, and determination and will on the part of the rest of the world to follow the Soviet example.

If only it were true! But, alas, apart from the pronouncements of the ideologists and admirers of the Soviet regime, it is extremely difficult to find supporting evidence; while the accumulation of evidence pointing to a quite different conclusion is as persuasive as it is massive.

The facts indicate that relative to most other countries in the world today, the Soviet Union is a stable society with an enormously powerful state apparatus and an economy capable of reasonably rapid growth for the foreseeable future. It is also a stratified society, with a deep chasm between the ruling stratum of political bureaucrats and economic managers on the one side and the mass of working people on the other, and an impressive spectrum of income and status differentials on both sides of the chasm. The society appears to be effectively depoliticized at all levels, hence *a fortiori* non-revolutionary. In these circumstances the concerns and motivations of individuals and families are naturally focused on private affairs and in particular on individual careers and family consumption levels. Moreover since the economy is able to provide both an abundance of career openings and a steadily expanding supply of consumer goods, these private motivations are effective in shaping the quantity, quality, allocation, and discipline of the labor force. There is probably no capitalist country in the world today, with the possible exception of Japan, in which classical bourgeois mechanisms operate as efficiently to secure the kinds and amounts of work needed to propel the economy forward.

But the prevalence of these mechanisms, and indeed their very success, cannot but have a profound influence on the quality of the society and the "human nature" of its members. This is part of the ABC of socialist thought and need not be elaborated upon here: suffice it to say that the privatization of economic life leads necessarily to the privatization of social life and the evisceration of political life. Bourgeois values, bourgeois

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criteria of success, bourgeois modes of behavior are fostered.* Politics becomes a specialty, a branch of the division of labor, like any other career. And of course the other side of the coin is the perpetuation and deepening of that alienation of man from his fellows and hence from himself which many socialists have long felt to be the ultimate evil of bourgeois society.

It may be argued that while these tendencies exist—this, we believe, can be denied only by blind apologists—they are not yet dominant and they are being effectively offset by counter-tendencies. In this connection, it is usual to cite, as Maurice Dobb does in his essay below (p. 38), the narrowing of the gap in incomes and living standards between the collective-farm peasantry and the urban proletariat, the leveling-up of the lower end of wage and pension scales, the shortening of the working day, and a general rise in living standards. These developments are supposed to be preparing the way for a transformation of the social consciousness and morality of the Soviet people. As William Pomeroy explained, after an extensive tour around the Soviet Union:

> The Soviet view is that education in communist behavior can go only so far without continually rising living standards. They say they are now "laying the material base for communism," and that the aim is to create the highest living standards in the world and that the "new man" will fully flourish only under conditions of abundance.**

What this argument overlooks is that living standards are not only a matter of quantity but also of quality. With negligible exceptions, all Marxists and socialists recognize the necessity of high and rising living standards to the realization of socialist goals and the transition to communism. But this is the beginning of the problem not the end. It should be obvious by now from the experience of the advanced capitalist countries that higher living standards based on the accumulation of goods for private use—houses, automobiles, appliances, apparel, jewelry, etc.—do not create a "new man"; on the contrary, they tend to bring out the worst in the "old man," stimulating greed and selfishness in the economically more fortunate and envy and hatred in the less fortunate. In these circumstances no amount of "edu-

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* On this theme see Hans Blumenfeld's revealing observations on "conspicuous consumption" in the Soviet Union today, below, pp. 71-84.

** *National Guardian*, July 8, 1967.

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cation in communist behavior"—as practiced, shall we say, by the ecclesiastical establishments of Western Christendom—can do more than provide a thin disguise for the ugly reality.

But is any other kind of rising living standards, more compatible with the realization of socialist goals, conceivable? The answer is obviously yes. We may concede that a priority charge on a socialist society's increasing production is to provide leaders and more skilled and/or responsible workers with what they need to do their jobs properly. But beyond that certain principles could be followed: (1) Private needs and wants should be satisfied only at a level at which they can be satisfied for all. (2) Production of such goods and services should be increased only if and when the increments are large and divisible enough to go around. (3) All other increases in the production of consumer goods should be for collective consumption. As applied to an underdeveloped country, these principles mean that there should be no production of automobiles, household appliances, or other consumer durable goods for private sale and use. The reason is simply that to turn out enough such products to go around would require many years, perhaps even many decades, and if they are distributed privately in the meantime the result can only be to create or aggravate glaring material inequalities. The appropriate socialist policy is therefore to produce these types of goods in forms and quantities best suited to the collective satisfaction of needs: car pools, communal cooking and eating establishments, apartment-house or neighborhood laundries, and so on. Such a policy, it should be emphasized, would mean not only a different *utilization* of goods but also a very different pattern of production. In the case of automobiles in particular, a policy of production for collective needs means a strictly limited production, since for many purposes the automobile is an inefficient and irrational means of transportation. Furthermore, restricting the output of automobiles and concentrating instead on other forms of transportation requires a different pattern of investment in highways, railroads, subways, airports, and so on.

Now, if the Soviets had embarked upon a program of raising living standards in this second, socialist sense, there would be every reason to take seriously the contention that, certain appearances to the contrary notwithstanding, they are indeed "laying the material base for communism." But this is certainly

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not the case, nor could it be the case as long as Soviet society is geared to and dependent upon a system of private incentives.* These matters are all indissolubly tied together. A depoliticized society *must* rely on private incentives; and for private incentives to work effectively, the structure of production *must* be shaped to turn out the goods and services which give the appropriate concrete meaning to money incomes and demands. The only way out of this seemingly closed circle would be a *re*politicization of Soviet society which would permit a move away from private incentives and hence also a different structure of production and a different composition and distribution of additions to the social product. But repoliticization would also mean much else, including in particular a radical change in the present leadership and its methods of governing—at least a "cultural revolution," if not something even more drastic. This means that short of a major upheaval, which does not seem likely in the foreseeable future, the present course is set for a long time to come. And since, as we have already indicated, this course has little to do with "laying the material base for communism," we have to ask in what direction it is leading.

The answer, we believe, is that it is leading to a hardening of material inequalities in Soviet society. The process by which this is occurring can be seen most clearly in the area of consumer durable goods. For most of Soviet history, the need to concentrate on heavy industry and war production, and to devote most of consumer goods production to meeting the elementary requirements of the mass of the population, precluded the possiiblity of developing industries catering to the latent demand of the higher-income strata for consumer durables. In respect to this aspect of the standard of living, which bulks so large in the advanced capitalist countries, there was therefore a sort of enforced equality in the Soviet Union. In the last few years, how-

* The debate over incentives is usually couched in terms of "material" vs. "moral." But this is not really accurate, since in both cases material gains are envisaged: the opposition lies rather in the composition of the gains and the way they are distributed. Hence it may be more helpful to speak of "private" vs. "collective" incentives. At the same time it should be recognized that there *is* a moral element in the collective incentive system: behavior directed toward improving the lot of everyone (including oneself) is certainly more moral, and presupposes a higher level of social consciousness, than behavior directed toward immediate private gain.

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ever, this situation has been changing. Now at last the production of refrigerators, washing machines, automobiles, etc. on an increasing scale has become feasible, and the Soviet government is moving vigorously to develop this sector of the economy. And while a considerable proportion of the output, especially in the case of the automobile industry, will have to be devoted to official and public uses for years to come, nevertheless it is clear that the basic policy is to channel a larger and larger share of consumer durable production into the private market. Some idea of what this portends is conveyed by Harrison Salisbury in an article entitled "A Balance Sheet of 50 Years of Soviet Rule" in the *New York Times* of October 2, 1967:

> In the 50th year of Bolshevik power the Soviet Union stands on the edge of the automobile age that the United States entered in the 1920's. With new production facilities being constructed by Fiat, Renault, and others, the Soviet Union will be turning out 1,500,000 passenger cars a year in the early 1970's, more than five times the present output. But this will not be soon enough to cut off the wave of popular grumbling.
>
> "When I see that any ordinary worker in Italy or France has a car," said a writer just back from one of his frequent trips to Western Europe, "I wonder what we have been doing in the last 50 years. Of course, there has been progress. But it's not fast enough."
>
> The Soviet Union's entry into the automobile age is not going to be easy. The Russian writer owns a car, a 10-year-old Pobeda. He has to keep it on the street all winter in temperatures of 30 below zero. No garages are available. None are provided in the new apartments or office buildings. Most Moscow car owners drain their radiators every night in winter and fill them in the morning with boiling water to get started. There are three gasoline stations in Moscow selling high-test gasoline. Today there are perhaps 100,000 private cars in Moscow. What will happen when there are a million?

Part of the answer of course is that along with the increase in production of cars, the Soviet Union will have to embark on a vast expansion in the provision of all the facilities required by an automobilized society: highways, garages, service stations, parking lots, motels, and all the rest. And in sum, if American experience is a reliable indicator, these complements to the automobile will absorb an even larger part of the Soviet economy's labor power and material resources than production of the vehicles themselves.

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Two points need to be specially emphasized. First, even assuming a continued rapid increase in automobile production, it will be many, many years before more than a small minority of the Soviet population can hope to join the ranks of car owners. During this period, the automobile will add a new dimension to the structure of material inequality in Soviet society, which will by no means be limited to the simple possession of cars. Those who have their own private means of mobility tend to develop a distinctive style of life. The automobile increasingly dominates their use of leisure time (after work hours, weekends, vacations) and thus indirectly generates a whole new set of needs, ranging from country houses for those who can afford them through camping equipment to all kinds of sporting goods.

Second, and this is a point which is generally neglected but which in our view is of crucial importance, the allocation of vast quantities of human and material resources to the production of private consumer durable goods and their complementary facilities means neglecting or holding back the development of other sectors of the economy and society. Or to put the matter more bluntly: A society which decides to go in for private consumer durables in a big way at the same time decides *not* to make the raising of mass living standards its number one priority.* And these are indeed the decisions which the Soviet leadership has taken and is in the process of vigorously implementing.

To sum up: The course on which the Soviet Union has embarked implies a long period of *increased* material inequality during which productive resources are, directly and indirectly, channeled into satisfying the wants of a privileged minority and mass living standards are raised less rapidly and less fully than would otherwise be possible.

We shall perhaps be told that even if the period in question is of necessity long, it is in principle transitional and will eventually lead, via a process of leveling-up, to a situation in which

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* With this in mind, we can see how absurd it is to describe the debate between Soviet spokesmen and their critics in the socialist camp as being between those who want the Soviet people to have "the good things of life" and those who would impose on them an artificial austerity. The truth is that it is between those who want a small minority to have the lion's share of the good things and those who think these good things ought to be produced and distributed in forms accessible to the broad masses.

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everyone is a full participant in a society of consumer-durable-goods abundance—or, in other words (since the automobile is by far the dominant consumer durable), to a fully automobilized society. It is a strange conception of socialism, this gadget utopia; but, fortunately or unfortunately, it does not seem very likely to be realized. For if anything is well established on the basis of long and varied historical experience, it is that a ruling stratum which is firmly rooted in power and has accustomed itself to the enjoyment of privileges and emoluments finds ways to preserve and protect its vested interests against mass invasion from below. There already exists such a ruling stratum in the Soviet Union, and the course now being followed guarantees that its privileged position will be enhanced and strengthened for a long time to come. If anyone thinks this stratum is going to renounce its position unless obliged to do so by *force majeure,* he is either a dreamer or a believer in miracles. "Laying the material base for communism" seems to be a slogan of the same kind as those even more famous slogans of the 18th-century bourgeois revolutions—"life, liberty, and the pursuit of happiness" and "liberté, egalité, fraternité"—designed to rally the support of those who look forward to a better future but increasingly divorced from economic and social reality.

The reader will note that we have been careful to speak of a ruling "stratum" rather than a ruling "class." The difference is that the members of a stratum can stem from diverse social origins, while the great majority (though not all) of the members of a class are born into it. A new class usually begins as a stratum and only hardens into a class after several generations during which privileges become increasingly hereditary and barriers are erected to upward mobility. Historically, property systems have been the most common institutional arrangement for ensuring the inheritability of privilege and blocking the upward movement of the unprivileged. But other devices such as caste and hereditary nobility have also served these purposes.

To what extent, if at all, the Soviet system of stratification has developed into a true class system we do not pretend to know. Fifty years—about two generations by usual calculations—is in any case too short a time for the crystalization of such a profound social change. At the present time, therefore, one can only say that conditions favoring the development of a class system exist and that in the absence of effective counter-forces,

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we must assume that these conditions will bear their natural fruit. And by effective counter-forces we do not mean ideological doctrines or statements of good intentions but organized political struggle. Unless or until signs of such struggle appear, one can only conclude that Soviet stratification will in due course be transformed into a new class system.

That all this is a far cry from the Marxian vision of the future (even the relatively near-term post-revolutionary future) as expressed for example in Marx's *Critique of the Gotha Program* or Lenin's *State and Revolution,* needs no demonstration. This divergence between theory and practice will naturally be interpreted by bourgeois critics as (yet another) proof of the failure of Marxism and as (further) evidence that "you can't change human nature." What is the Marxian answer to these critics? Did it have to happen that way in the Soviet Union? Or might events have taken a different course there? These are by no means mere "academic" questions (i.e. questions the answers to which have no practical significance). If what has happened in the Soviet Union had to happen, the chances that other socialist countries, present and future, will be able to escape the same fate would, at the very least, have to be rated low. If on the other hand events might have taken a different course in the Soviet Union, then other socialist countries, learning from Soviet experience, can still hope to prove that Marx and Lenin were right after all and that in entering the era of socialism mankind has at last found the key to a new and qualitatively better future.

What is at issue here is really the age-old question of historical determinism. The determinist position holds essentially that the conditions which exist at any given time uniquely determine what will happen next. This does not necessarily mean that every individual's thoughts and actions are uniquely determined, but only that in the given circumstances only one combination of thoughts and actions can be effectively put into practice. Individuals can choose but societies cannot. At the other extreme, what is often called the voluntarist position holds that anything can happen depending on the will and determination of key individuals or groups.

Marxism is neither determinist nor voluntarist; or, if you prefer, it is both determinist and voluntarist. "Men make their own history," wrote Marx in the second paragraph of the

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Eighteenth Brumaire of Louis Bonaparte, "but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past." In other words, at any given time the range of possibilities is determined by what has gone before (determinism), but within this range genuine choices are possible (voluntarism). This very general principle, however, by no means exhausts the Marxian position. Even more important from our present point of view is the idea, which is of the very essence of Marxism as a revolutionary doctrine, that in the life of societies there are long periods of relative stability during which a given social order unfolds and finally reaches the end of its potentialities, and that these are followed by periods of revolutionary transition to a new social order. This theme is of course familiar to all students of Marxism, especially from the famous Preface to the *Critique of Political Economy.* What does not seem to have been widely recognized is the clear implication that the ratio of determinism to voluntarism in historical explanation necessarily varies greatly from one period to another. Once a social order is firmly established and its "law of motion" is in full operation, power naturally gravitates into the hands of those who understand the system's requirements and are willing and able to act as its agents and beneficiaries. In these circumstances, there is little that individuals or groups can do to change the course of history: for the time being a strictly deterministic doctrine seems to be fully vindicated. But when the inherent contradictions of the system have had time to mature and the objective conditions for a revolutionary transformation have come into existence, then the situation changes radically. The system's law of motion breaks down wholly or in part, class struggles grow in intensity, and crises multiply. Under these circumstances the range of possibilities widens, and groups (especially, in our time, disciplined political parties) and great leaders come into their own as actors on the stage of history. Determinism recedes into the background, and voluntarism seems to take over.

If we apply this dialectic of determinism and voluntarism to the interpretation of Soviet history, two conclusions stand out very clearly: First, the early years—from 1917 until the late 20's when the country had irrevocably committed itself to forced industrialization and collectivization of agriculture—were a "vol-

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untarist" period during which the Bolshevik Party and its leaders, meaning primarily Lenin and Stalin, played a decisive role in shaping the course of events. There were of course definite limits to what could have been done after the Bolsheviks came to power, but they were wide enough to encompass the course which was actually followed under Stalin at one extreme, and at the other extreme a course (certainly feasible and actually advocated by Bukharin and others in the Bolshevik leadership) of "socialist laissez faire" which would have involved surrender to the kulak-dominated market economy and most likely a relatively rapid restoration of capitalism.

The second conclusion which stands out is that in recent years—at least since the 20th Party Congress and the beginning of de-Stalinization—the Soviet Union has entered a "determinist" period in which the Party and its leaders are hardly more than cogs in a great machine which is running, sometimes smoothly and sometimes bumpily, along a more or less clearly prescribed course, some of the main aspects of which have been analyzed above.

Now it is clear that the kind of machine which came into being to dominate the "determinist" period was formed in the "voluntarist" period by the conscious decisions and acts of the Party leadership, for the most part after Stalin took over. This is not to imply that Stalin had a blueprint of the kind of society he wanted to create and shaped his policies accordingly, though considerations of this kind may have played some role. Between 1928 and the end of the Second World War, which was certainly the crucial formative period of present-day Soviet society, Stalin was probably mainly motivated by fear of external attack and a supposed need, in the face of this danger, to crush all actual or potential internal opposition. In other words, the kind of society being created in the Soviet Union during these years was in a real sense a by-product of policies designed to accomplish other ends. But, from our present point of view, this is not the important point. What is crucial is that these policies were deliberately decided upon and in no sense a mere reflex of an objective situation. They could have been different. The goal they were intended to achieve could have been different, and the combination of means designed to achieve the goal actually chosen or another goal or set of goals could also have been different. And the result today could have been a different

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society operating with a different internal logic and following a different course of development.

These are not mere armchair speculations. We *know* that different courses were possible in the decisive years after Lenin's death because we know that great struggles and debates racked the Bolshevik Party in that period. Nothing requires us to believe that Stalin's victory was inevitable, or that if the Left or Right Opposition had won out it would necessarily have followed the same course he followed. The options were real, and the Soviet Union is what it is today because some were embraced and others rejected.

This is not the occasion for a review of the arguments over what policies might have been adopted and their probable consequences: that would be an ambitious undertaking indeed. Suffice it to say that our own view is that Stalin was certainly right to make preparations to repel external aggression the number one priority, but that a different choice of means could have produced better results in the short run and much better results in the long run. More equality and fewer privileges to the bureaucracy, more trust and confidence in the masses, greater inner party democracy—these, we believe, could have been the guiding principles of a course which would have ensured the survival of the Soviet Union and pointed it toward, rather than away from, the luminous vision of a communist future.

Fifty years of Soviet history have many lessons to teach. And of these the greatest and most important, we believe, is that revolutionary societies can and must choose and that how they choose will unavoidably have fateful consequences for many years and decades to come.

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THE SUCCESSES, THE FAILURES, AND THE PROSPECTS

BY HARRY BRAVERMAN

As peaks of mass activity, revolutions are never sustained at their highest levels for very long. Russia is no exception, and its revolution subsided in ways both predictable and unpredictable. Nevertheless, judged by a half-century of its consequences, the Russian Revolution is unquestionably the most effective social upheaval of all history. Its solid and lasting achievements far exceed those of any previous revolutionary wave. It is not too much to say that the trend of human history, as it affects every nation and almost every individual on this planet, has been altered by the events of 1917.

The peoples of the Soviet Union, at the center of the storm, have suffered most and gained most. They have in the short space of half a century experienced the worst of wars, the greatest of material and cultural transformations, and the burdens and triumphs of the most exhilarating construction campaigns ever undertaken.

To ask them if the Revolution has been "justified" would be like asking mankind whether striving for betterment is justified. Despite their almost total loss of control over the Revolution, despite the hardships and disillusionments, the Soviet people have in the end created a life of possibilities in place of the age-old stagnation, misery, and despair of their former condition. To those who now loftily advise that they would have done better to await an improvement under assorted Kerenskys and other such benefactors who were "just about to" change everything, they may well retort that they would be waiting still, as are all those impoverished peoples who are "about to" prosper while their life of misery closes in on them more oppressively every day.

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The Revolution brought industrialization, urbanization, a rise in living standards, and the achievement of universal literacy along with other basic elements of human culture. Formerly, these advances were achieved under capitalist auspices, but for well-known reasons this is no longer possible in backward countries today. No less significant is the fact that while the capitalist nations required two and three centuries for their accomplishment, the Russian Revolution, using a socialist framework, required only 30 years. (In this connection, we must not forget that it took a decade to recover from the First World War and the civil war, and that a second decade was consumed by the Second World War and its aftermath.)

Thus in the performance of "capitalist" tasks, the Russian Revolution has achieved great successes. But, compared to the aims and aspirations of the inspirers of the Revolution, the story is different. The Russian Revolution, like the French, was a climactic event for a world-wide body of idealists. They aspired to a true communal life, genuine equality, the abolition of classes, rank, and distinction, the emancipation of women and sexual freedom, the liberation of the arts, the birth of a cooperative commonwealth in which men would at last find harmony among themselves and with their environment.

To view the Revolution's first decades in the glow of this perspective would be unfair and unrealistic. The conditions are now barely beginning to be created under which these aspirations can, in time, become realities. But the direction of Soviet society today is such that there seems to be little will to move toward socialism, now that it is at last becoming possible. In the years of the hard ascent, the Revolution seems to have lost its way. Everything was sacrificed so that the Revolution might survive and industrialize; and now the very instruments created for survival, the modes of rule, the habits of thought, the institutions, the ideological crudities seem to form a solid barrier across the road to socialism.

The Soviet system has settled into routine and conservatism. Its leaders are increasingly reminiscent of the philistine mayors of French provincial towns, who fondly recalled the ideals of '89 when wearing the tricolor on Bastille Day but were more interested in the statistics of wine production the rest of the year. The brave equalitarian and humanitarian ideals of the early years have given way to mere consumerism. And while I

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do not mean to belittle the importance of an adequate manufacturing industry and the proper satisfaction of modern human requirements, any vista limited only to this has not yet transcended the narrow horizon of bourgeois life.

This is why the Soviet experiment has, with remarkable suddenness, lost the center of the international stage. Interest in Soviet economic development has dropped off sharply; there seems to be a widespread feeling that though the Soviets will continue to register remarkable growth, their economy is now producing little of novelty or interest for the future life of mankind. Probably this feeling is exaggerated and unfair. Soviet society does display pioneering features that plainly improve the conditions of daily life. Among the more evident are the fuller development of the social welfare system; the progress toward eliminating a miserable underclass at the very moment when the United States is expanding its own; the development of the factory as a community and cultural center; and the unprecedented role of women in professional and industrial life.

But on the whole and despite these facts, the ebbing of the Soviet purpose to create a society of a distinctly new type is clear. And, of course, it began a long time ago. The old Bolshevik Party, phenomenal in its combination of revolutionary idealism and hard-headed political calculation, was destroyed at least three decades ago, annihilated not only in spirit but in good measure physically as well. The campaign to condemn equalitarianism as a "heresy" began at that time, and it was then also that the present methods of developing industry through incentives, privileges, and inequities were bred into the bone of the cadre. Many of the revolutionary laws abolishing rank, liberalizing marriage and sex, giving free rein to artistic experimentation, and in general pointing toward a socialist future were reversed or truncated in the 30's and 40's.

The trend is thus not new to the recent past. But the present Soviet leaders have undoubtedly given it greater visibility. They dismantled, along with the terror apparatus of the Stalin era, some of the Stalinist mystiques. Second, the tendencies toward individual striving and accumulation as against the achievement of a satisfying communal life have been given greater scope by the very economic successes of the system. And finally, the clash between socialist ideology and Stalinist practice, which

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seemed more understandable in the days of Soviet weakness and feverish construction, today strikes many Soviet supporters as less excusable.

Internationally, the conservative instinct for comfort and safety has given the Revolution a cautious aspect, so that it has been easily outflanked on the Left by Peking. In the neocolonial regions, Moscow appears timid, confused, and uncertain in the midst of revolutionary storms. Its power over the states of Eastern Europe has declined remarkably.

In the countries of Western Europe, the Communist Parties appear to have made their peace with the status quo, although without saying so. These Parties have had a most unfortunate history, having been twice damned and twice defeated. First, their revolutionary potential was virtually destroyed in the Stalin period, when they were converted into bargaining instruments of Soviet diplomacy. Then they fell victim to the iron law of politics that no party formed to make a revolution can survive for decades unable to accomplish its mission—for whatever reason, good or bad—without succumbing to sterility, sectarianism, opportunism, or some combination of these forms of adaptation to the status quo.

Thus the focus of the Cold War has shifted to China. And while the focus of the revolutionary movement remains as yet unlocalized, it is indicative of Soviet abdication that even so relatively slight a force as Castro's Cuba today commands more attention as a world center of revolt.

While it is possible to overstate the matter—as have the Chinese and others who speak of the "restoration of capitalism" and "taking the capitalist road"—clearly the situation is basically as outlined above. Many other disappointing and repellent aspects of Soviet reality today could be added without overstepping the limits of truth. We are therefore bound to ask whether, in bringing industrialization to its vast domain, the Russian Revolution has not exhausted its powers and its potential—whether, in a word, the Revolution is not completely played out.

If one judges from the surface appearances of modern Soviet life, it is easy to conclude that this is indeed the case. Control over the nation is in the hands of a conservative bureaucracy from which little pioneering can be expected. Even the emphasis which Khrushchev placed on the "program to achieve

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full communism" (better understood, as I have pointed out elsewhere, as a program to achieve *socialism*)* has been soft-pedaled by his successors. The population continues politically atomized. Material conditions are steadily improving and careers are open to youth, and this makes one wonder whether political organization to change the direction of Soviet life is very likely.

There is at the same time a very large consideration that should warn socialists against too hastily writing off the Russian Revolution. It is a fact that of all the countries that have carried through revolutions of a similar type since 1917, the Soviet Union is closest to having gained mastery over the achievements of capitalism and thus closest in terms of economic potential to the next stage of human history.

Socialism, after all, has always meant to its Marxist adherents a society founded upon the highest social, economic, technological, scientific, and cultural attainments of the social forms that preceded it. In the modern age this requires a highly developed industrial state. The idea of "socialism" in the Proudhonist or populist sense as a peasant or handicraft society, a semi-primitive cooperative-and-barter association, is certainly foreign to Marxism. And, doctrinal considerations aside, whoever imagines that the world can emerge from this century of turmoil and come to rest on any lower plane than the full technological heights that modern science and industry have made possible, simply does not understand the trend of human society. Only an atomic war could disrupt or destroy this trend. Thus, arresting modern technology is, whether we like it or not, a catastrophic rather than an idyllic prospect.

The socialist view, prior to the Soviet Revolution was, quite naturally, that those countries whose economies and culture had already been highly developed by capitalism would lead the way. Instead, for reasons that are well known, the focus of revolution shifted to the East; and nation after nation adopted a socialist framework that did not yet possess the socio-economic preconditions for socialism. They have been using this framework to perform, in an astonishingly rapid fashion, the developmental tasks of capitalism.

Of all these countries the Soviet Union is by far the furthest advanced toward completing the foundations of socialism. It is

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* *The Future of Russia,* Chapter X.

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the most secure, the most stable, the most experienced and economically developed, the most culturally indoctrinated of all the nations of its type, and, apart from its lack of will to advance further, the best equipped for the first steps into socialism.

We should thus say that Russia is again, after 50 years, the natural focus of advance. Its revolutionary potential is now very different. *In 1917 it was the weakest link in the imperialist chain; in 1967 it is the strongest link in the socialist chain.*

It remains to be seen how, or whether, this potentiality will be fleshed out by history. The most hopeful portent of all, it appears to me, is the way in which Soviet experience is tending to show how hard it is to operate the new society without the willing and resourceful engagement of the broad masses. This is not the place to review the details of this dilemma, which has plagued the administrators of every socialist country. Suffice it to say that there exists a clear contradiction between the socialized form and the bureaucratic management of the economy. Partial "democratizations" have only exacerbated the problem, since, by weakening the weapons of coercion and command, they intensify further the need for alert and democratic popular participation.

It may be argued that the Soviets will find a way out of this dilemma, not through socialist but through capitalist devices, in the form of profit-regulation of the economy, a widening of existing income differentials, and competition. Of course, such arguments have immense plausibility. Anyone who is ready to bet on man's stupidity and cupidity always gets the longer odds—and history provides him with ample precedents.

But a "capitalist" solution presents so many problems as to make one wonder if it will really ever come about. One would have to endow the present ruling bureaucracy with extraordinary manipulative powers—great enough to overcome half a century of ideology, the revivifying effects of a continuing world revolutionary wave, and the interests of an increasingly aware working class which has been created and brought up on the assumption that it is the ruler of society.

It seems to me more likely that the competitive elements now being fostered in the Soviet economy are not going to take over the country. More probably, they will play the role of all the other bourgeois elements in the economy, such as piece work, incentive pay, management dictatorship, and so forth. Like

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these others, they will figure in the bureaucratic stage of Soviet history as expedients to fill the chasm between capitalism and socialism, but not to the point of submerging the socialist character of the economy. We must not forget that the unifying and socializing characteristics of such an economy are also very great, and will not be readily obliterated by minor tinkerings.

Russia is still a crude and unfinished society, beset by tensions and conflicts. Quietism and conservatism may be in the official ascendancy today, but it is not likely that Russia will settle down. The second half century of its existence will in all likelihood see the Soviet Union racked by conflicts which, if not comparable to those of the first half, will at any rate be turbulent, broad, and significant.

The tensions between program and reality, managers and workers, bureaucrats and intellectuals, idealists and time-servers, youth and morally compromised adults will, when finally released, offer immense possibilities which we can today hardly foresee.

The time is coming for the Soviet people to take the lead in their own name and their own persons, in full consciousness and knowledge. They have been led, brow-beaten, deceived, coerced, and dragged a long way, much of the distance in chains. They are now approaching the point where they will be as close to socialism as they can get by such methods. History calls upon them to take their future in their own hands, and do for themselves what no bureaucrats can do for them. If they do this, then in their second 50 years they will re-create for the world the image of socialism which their own development did so much to tarnish during their first 50 years.

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WHAT WENT WRONG?

BY STAUGHTON LYND

For me and for many others of my generation, the Soviet Union is the most discouraging fact in the political world. By this I do not mean that the Soviet Union is a reactionary force, or that it is a revolution betrayed, or that it has reverted to capitalism. On the contrary, I think that on the whole the Soviet Union has been and continues to be a positive force in world politics. What is discouraging is that the Soviet Union is so very different from what we had hoped a socialist society would be like, and (Isaac Deutscher notwithstanding) shows little evidence of developing into such a society.

One might put it this way: I would like to be able to regard the Soviet Union as an ally; I would like to feel, when thinking of the Soviet Union: "Those are my comrades. I wonder how things go with them." I wish I were able to respond to the weal and woe of the Soviet Union as if it were happening to myself, or to the movement of which I consider myself a part. But I don't have these feelings. I look on the Soviet Union as an objective historical force the effects of which—despite Stalinism and neo-Stalinism, despite the long record of putting the interests of the Soviet Union ahead of the interests of revolutionary movements elsewhere—are on the whole still positive. But I do not regard the Soviet Union with a subjective sense of comradeship.

What bothers me about Soviet society is what bothers other socialists all over the world: the bureaucratic, unegalitarian tone

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of domestic institutions; in foreign affairs, the unwillingness to risk the existence of the Soviet Union for the sake of international revolutionary solidarity. More controversial is the question: Why?

Until recently I was inclined to ascribe the "bureaucratic deformations" of Soviet socialism to: (1) hardships resulting from the Soviet Union's isolation as the first socialist society, and (2) the immense suffering of the Soviet people during the Second World War. Lately two other factors seem to me equally significant: (3) reliance on material incentives during the process of industrialization, and (4) the fact that the 1917 revolution was only in part a revolution-from-below, and was to a dangerous degree imposed from above. The question of material incentives has been sufficiently illuminated by the polemics of the Chinese, and by the practice of the Chinese and Cubans, with which, in general, I concur. But the question of the character of the 1917 revolution has not been adequately explored, at least to my knowledge. Let me suggest a hypothesis.

However else they may differ, the Yugoslavian, Chinese, Cuban, and Vietnamese revolutions have in common the fact of protracted guerrilla warfare. In each case, the necessities of guerrilla struggle had the result that, even before the seizure of national power, new institutions were created with characteristics which Marxists had expected only in a post-revolutionary communist stage of development. Among these characteristics were: extreme decentralization; the blending of intellectual and manual labor; distribution on the basis of need rather than of achievement, or at least, on a basis of equality; and in general, an atmosphere characterized by fraternity, strong horizontal relationships among comrades, rather than by bureaucratic chain-of-command. It also seems clear that, even in the case of Yugoslavia, these movements which came to power through protracted guerrilla struggle were more resistant, after the seizure of power, to bureaucratic deformation. "How we did it in the jungle" or "the way things were in the mountains" remained for the old comrades a norm to which post-revolutionary society was periodically recalled. And from this point of view, one cause of subsequent deformations in Soviet socialism might be that the 1917 revolution was only in part a decentralized, guerrilla struggle.

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In any case, my feelings on this 50th anniversary are mixed. During the Second World War, when I was a boy, I watched the conflicting arrows on maps of the Russian front in the daily newspaper, totally identifying with the arrows which represented the Red Army. It is no longer that simple for me. In the next war, should it come, I would think also of the people caught between the armies, the local guerrillas who, perhaps, desired domination by neither West nor Soviet East, the Third World movements for whom a revolution which came on the bayonets of the Red Army would seem a most ambiguous gift. Nor can it be for me a matter of indifference that the Communist Party of the United States has for almost the whole of my lifetime followed a political line so oriented to the tactical interests of the Soviet Union as to be worse than useless on the American scene.

I am not yet ready to say that it would be better for the world revolutionary movement if the Soviet Union did not exist. I am quite sure that it would be better for the American radical movement if the Communist Party of the United States did not exist. Our task is to recreate, independently of the Soviet Union, bonds of international solidarity; and within the United States, somehow to improvise the functional equivalent of a party.

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HURRAH FOR THE RUSSIAN REVOLUTION!

BY SCOTT NEARING

'Twas the first week in November, 1917. I had been out of the University of Toledo and on my own since June of that year. Also, since mid-summer I had been chairman of the Peoples Council for Peace and Democracy, elected in a stormy Chicago convention of that organization, which was broken up by the dispatch of Federal troops.

"Subversive" was an epithet that had not yet come into common use at that time, but the Peoples Council was called "disloyal," "pro-German," "treasonable," and plenty more names, because we had opposed entrance of the United States into the war which had been devastating Europe for three bitter years. Since April, when the United States entered the war, we had been demanding a negotiated peace rather than a fight to the finish.

The Peoples Council was having real trouble determining policy, holding its branches across the country in line, and raising money enough to pay office staff salaries and to meet printing bills. In fact, it was at that period that the Peoples Council held a public dinner in New York City and auctioned off some of our unpaid bills. We had them for all amounts from a few dollars to many hundreds of dollars. We took them all to the dinner. Attached to each bill was a blank check. We offered the bills to the diners, one by one, and sold $2,500 worth of our debts in the course of the evening.

It was in the midst of the turmoil of this war period that I received a brief letter on Council business from my former eco-

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nomics teacher and head of the Department of Economics in the Wharton School, University of Pennsylvania, Professor Simon M. Patten. Like most of his letters this one consisted of a couple of short paragraphs. Then, after his signature, across the bottom of the page, Patten had written in his loping script: "Hurrah for the Russian Revolution!"

Professor Patten was a stalwart Pennsylvania Republican. Although he was born initiator and a disturber of the status quo, he never joined any other party. Here was a Pennsylvania Republican of high standing in the economic world cheering for an event which had startled and was disturbing the Establishment in most parts of the world.

Why was the Russian Revolution so world-shaking? It upset reactionaries, first, because it *was* a revolution. Second, because it was a revolution led by socialists who described capitalism and imperialism as enemies of mankind and advocated the abolition of private property in the means of production, the take-over of the state and other public institutions by the workers and their operation not by and for the propertied and privileged, but by and for the workers.

The Russian Revolution upset socialists as well as capitalists because it fell into the hands not of the right-wing socialists, who had been helping to carry on the 1914 war, but of left-wing socialists and syndicalists who were opposing the war as another example of capitalist adventurism and iniquity.

The Russian Revolution of 1917 not only shook the world. It upset the world—Right, Left, and Center. It was a new force moving in a new direction and colliding with economic, political, and cultural principles and practices of Western civilization.

Before 1917 there had been talk aplenty about the need for revolution. The talk was loud and strong in France, Great Britain, Germany, Italy. A theory, widespread among European socialists, held that as capitalism matured it would produce its logical fruit: socialism. Followers of this theory expected the socialist revolution to begin first in Britain or Germany where capitalism had reached its greatest maturity. Instead, the first socialist state was established in Russia, the most industrially retarded among the big six European powers.

There were several reasons why the revolution came first in Russia. The first was the extreme backwardness of Russia. Despite the original initiative of Peter the Great to industrialize

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the country, Romanov policy called for a superstitious peasant country in which four fifths of the people could neither read nor write. Even though industry and trade required literate workers, if people generally learned to read and write, they might read the wrong books and might learn to write revolutionary propaganda. But if Russia remained a country of ignorant, poverty-stricken peasants, merchants could sell little and there would be no great demand for manufacturing, finance, and communication.

This policy of intentional backwardness made Tsarist Russia an opponent of the bourgeois revolution as well as the proletarian revolution, and forced businessmen, intellectuals, and proletarians to oppose Tsarism and demand reform or revolution. These forces, added to the poverty and degradation of living conditions in the Russian countryside and in the slums of Russian cities, provided ample fuel to feed the smouldering fires of Russian discontent.

Through the later years of the 19th century, when the industrial and agricultural revolutions were spreading through Western Europe, the Tsarist regime continued its anti-progress policy.

A second reason for the Russian Revolution was disastrous military defeat. By 1900, although Russia had more acreage and a larger population than any other country in Europe, it was economically backward both in technology and in trained personnel. In 1904-1905 Russia's archaic economy clashed with the brand-new bourgeoning economy of Japan. The result was a smashing defeat, especially for the Russian navy. A decade later, the highly industrial economy of Germany pushed across the Russian frontiers battering the primitive Russian economy to a pulp. After two years of warfare, Russian transportation was disrupted, Russian cities were without food and fuel, and the poorly provisioned Russian armies lacked basic necessaries. In the absence of war the Tsarist oligarchy might have continued in power for decades. The wars of 1904 and 1914 crippled the Russian economy. By 1917, war had wrecked the Tsar's entire power apparatus. This crack in the case of custom opened the way for the Russian dissidents to reach for power.

A third reason why the revolution came first in Russia was the presence of the Bolshevik Party, led by Lenin and a group of tough professional revolutionaries. In 1903 the Russian Socialist Party had split into a Bolshevik and a Menshevik faction.

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It was the left-wing or Bolshevik faction that gained the leadership of the Russian Revolution and after a decade of experiment and experience launched the first of a series of Five Year Plans in 1928 which brought economic affairs as well as political affairs into the category of public business. The bourgeois revolution changed the privately managed state into a publicly managed institution. The Russian Revolution performed the same service for the economy.

The October Revolution of 1917 was only the beginning of the story. A revolution is a complete turnover, through 360 degrees. In the autumn of 1917 the Russian Revolution began. Fifty years later, in 1967, the turnover is still incomplete.

Five important questions confronted the Bolsheviks as soon as they had gained control of the Russian economy and the apparatus of state power. First, shall we turn back? That was the counter-revolution. Second, who is with us and who against? Third, how fast shall we advance? Fourth, when do we pause to enjoy the dividends of the Revolution? Fifth, can the Revolution be exported?

Lenin, Trotsky, Stalin, Zinoviev, Kamenev, Dzerzhinsky, Bukharin and millions of others inside and outside Russia have posed and discussed these questions for 50 years. They still head the agenda in 1967.

No sooner had the Bolsheviks, under Lenin's leadership, won control of the state apparatus than they faced active, armed, counter-revolution. Counter-revolutionary forces included remnants of Tsarism: generals, admirals, and the armed forces still in being; members of civil government still loyal to the Romanovs; landlords, businessmen, and members of the professions; the Orthodox Church still virtually intact after the Bolshevik regime was set up; millions of rich farmers called Kulaks, tens of millions of unlettered, landless, superstitious peasants ready to say: "Tsar Lenin himself; may God bless him!"; finally the power apparatus of the entire capitalist-imperialist world, with its immense stores of wealth, its huge productive plant, its customs, traditions, ways of thought, its vested interests, its armed forces, and other institutions.

This listing of forces opposing the Bolsheviks in October, 1917, and the years immediately following is so all-inclusive and so overwhelming that it might be summed up by saying the counter-revolution included the whole modern world except the

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Bolsheviks, their associates, adherents, followers, and admirers.

How came it that this counter-revolutionary elephant, so completely dominant in 1917-1918 never succeeded in stomping on and crushing the Bolshevik mouse? The answer is quite simple. The counter-revolutionaries never got together. The same forces that manned the trenches on opposite sides of the battle lines in the Somme, the Marne, and at Verdun had been killing, burning, and destroying one another for more than three years before the Bolsheviks seized power. They are still locked in a life-and-death struggle today. Counter-revolutionaries were split into rival factions in 1917. They are still divided.

Counter-revolutionaries, using civil war and armed intervention from 1918 to 1922, aimed at overthrowing the Bolshevik Government. They unleashed their fury once more when Hitler's millions invaded the Soviet Union in June, 1941. They would give their eye-teeth to try it again in 1967. NATO is the political symbol of the present-day counter-revolution. The government of the United States is its financier, its armorer, and the implacable leader of the planet's anti-communist forces.

With revolutionists and counter-revolutionists locked in mortal combat, the Russian Bolsheviks, their allies, associates, adherents, and admirers faced question number two: who is with us? The question was chiefly domestic. It was also international. The answer varied from time to time as lines of partisanship were drawn and redrawn. Perhaps it had its most dramatic moments in the struggle between Stalin and Trotsky for the control of the Communist Party, the state structure, the trade unions, and other symbols of Russian power and authority. This was not a case of revolution and counter-revolution, but of revolution in the revolution, to use Régis Debray's phrase.

Question three—How fast do we go and where?—raised the issue of revolution in one country at a time or on many fronts at the same time. Is it possible to complete a revolution in one country, or must revolution continue until the entire planet has moved on from competitive-monopoly capitalism to planet-wide cooperative socialist construction?

Our fourth question on the dividends of revolution is in the forefront of current discussion and decision among revolutionaries. The Soviet Union began its revolution 50 years ago. It has risen from 1917 backwardness and collapse to the top

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ranks of international state power. The Soviet Union is a "have" country. Productivity is immense. Millions share control of the power apparatus. Millions enjoy affluence. The Soviet Union has "matured" even if it has not "arrived."

Elsewhere, the counter-revolution has won out, at least temporarily, as in Indonesia, Brazil; or the forces of revolution and counter-revolution are in balance as in Bolivia and Venezuela; or the revolutionary forces are maintaining a precarious foothold against great odds, as in Cuba and perhaps in North Vietnam. What must be the attitude of the Soviet Union in such cases?

From 1917 until the 1936-1945 war, there was one country actively building socialism, though there were socialist-communist parties in many countries. Today there are a dozen countries busy with socialist construction. Can the revolution be exported? Can it be exported by gunfire? And what part can the Soviet Union have of this export market?

These questions confront revolutionaries everywhere. They will continue to press for answers as revolutionary situations arise in various parts of the planet.

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THE OCTOBER REVOLUTION AND HALF A CENTURY

BY MAURICE DOBB

If one may be forgiven the sin of self-quotation—this is what I wrote some twenty years ago about the historical significance of October 1917 (in the opening pages of my *Soviet Economic Development since 1917*):

> The story of the economic development of what at first was Soviet Russia and since 1923 has been the USSR holds a special interest for our times for two main reasons. Firstly, it provides the first case in history of a working-class form of state . . . carrying out the expropriation of the former propertied class and establishing a socialist form of economy. This alone would suffice to give it a unique interest: an interest for economists and economic historians of our century at least as great as that of post-1789 France for political theorists and historians in the last century. But secondly, it affords a unique example of the transformation of a formerly backward country to a country of extensive industrialization and modern technique at an unprecedented tempo: a transformation unaided by any considerable import of capital from abroad but effected under the guidance and control of a national economic plan instead of in the conditions of laissez-faire and atomistic capitalist enterprise which characterized the industrial revolutions of the past. As such it seems likely in turn to become the classic type for the future industrialization of the countries of Asia.

After the passage of the two postwar decades, witnessing the close of one distinctive period and transition to a new one, I see no reason to alter or qualify that judgment. The October Revolution and its heritage will remain an outstanding historical landmark for the 20th century and beyond. As the first example

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of an exploited class seizing and holding power and constructing a new society from its foundations, it may well be looked back upon as the greatest single event (or set of events) for centuries, if not in history. As such it will remain a beacon-light for labor and socialist movements of the whole world, even if they do not need to follow its arduous, at times tortured, course in every particular.

At times of great historical change and turning points there have always been romantics and utopian visionaries who have lamented that what history has produced conflicts with their vision of the ideal society and is accordingly to be rejected root and branch. On occasions they have been right; but more often than not their judgment, viewed in any realistic context of what is *possible* in any given historical situation, has been wrong. In major respects, it seems to me, they have been almost totally wrong about the Soviet Revolution and its heritage in the past half century: wrong essentially because they have failed to show (sometimes even to formulate the question) how an alternative could have in fact achieved as much as has been achieved in the way of socialist construction and economic achievement —or even been other than, at best, a glorious failure. (Such judgments of historical "might-have-beens" are, we know, fraught with difficulty, if they are possible at all; but one can at least deal in hypothetical probabilities, e.g. about the question whether anything at all would have survived if a policy of "building socialism in one country" had not been adopted in the 1920's.)

The hope and belief that inspired the Bolsheviks of 1917 was that this would be the torch for proletarian revolution in the more industrially advanced countries of Central Europe (especially Germany) and even possibly of Western Europe as well. The revolution had come in the weakest and most backward region of Europe (outside some of the Balkan states), where industry was still weakly developed (despite some development around the turn of the century) and an industrial proletariat relatively small. The ebbing of the revolutionary wave in Central Europe confronted the Soviet government with an agonizing dilemma. Either it must take the extremely difficult road of "building socialism in one country," moreover in an underdeveloped country, alone amid "capitalist encirclement," or it must give up the hope of building socialism, mark time in the

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conditions of the NEP (and this in a predominantly peasant country almost inevitably meant retrogression), while pursuing a policy of revolutionary adventurism abroad.

That in these historical circumstances socialism had to be built alone and from conditions of backwardness, with a numerically weak industrial proletariat to lead a deeply individualist peasantry, enormously increased both the economic cost and the human cost of doing so. Not only did it involve heroic methods and measures amounting to a virtual "second revolution" in the countryside, but it almost inevitably involved some degree of "distortion" (if only in forms originating in emergency measures adopted in haste and in the heat of "working against the clock"). It is now quite clear that there were serious "distortions" of overcentralization, together with undemocratic bureaucratic tendencies, going to the length of extra-constitutional police-methods of repression. What is highly significant, surely, of the continuing strength of the revolutionary tradition and of the spirit of Lenin is that denunciation of these distortions was made (as it were) "from within"; and that overcoming them (if more cautiously than some would wish) has been the task of the past decade. These recent changes have included not only a restoration of "socialist legality" and reawakened discussion, but also measures of decentralization in planning and economic administration aimed at increasing participation and initiative of lower-level production units, combined with the substitution (as far as practicable) of economic levers and instruments for steering the economy instead of administrative orders and bureaucratic interference in microscopic detail. At the same time there have been some important changes with regard to collective farmers (including tax reforms and upward adjustments of collection-prices to improve their economic condition), a levelling-up of the lower end of wage scales and of pensions, together with a transfer from payment by results (so characteristic of an earlier period when rapid output growth had top priority) to time-rates and a shortening of hours: all of these reversing trends of the earlier Stalin period. More generally there has been the much greater emphasis on raising living standards, with the recent assimilation of the growth rates of capital goods and consumption goods production. The very novelties in incentive systems (not new, but replacing in their emphasis purely quantitative ones) that have aroused so much critical comment

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I am inclined to view as an important step in harmonizing individual and sectional interests with the collective or social interest and (by leaving more to the discretion of factory and enterprise) a step towards a broadening of socialist democracy.

How the essential "continuity of the revolutionary epoch" (as Isaac Deutscher has termed it) of the October Revolution and contemporary Soviet society can be seriously denied I must say that I completely fail to see. Particularly hard is it to deny for anyone of Marxist persuasion, since it was a fundamental tenet of Marx that what gives its essential character to any society or epoch is the nature of its property relations, affecting ownership of the basic means of production. Can anyone doubt the essentially collectivist or socialist character of such ownership in Soviet society, which has not only been preserved over the years but greatly strengthened and extended? Admittedly moral attitudes and the superstructure of society are important: superstructural lags, which in history have often been stubbornly long lags, may considerably modify a society's character and development (as in bourgeois England), and may even react eventually upon the base. But to a Marxist view it is only when this latter occurs that the essential nature of society, consisting in its mode of production, undergoes a change. The most that Mandel (on whose review the editors of MR invited comment*) has to say about the Yugoslav economy is, apparently, that the dethronement of planning and the prevalence of "commodity production" (which he seems to identify with "*petty* commodity production") may tend to pervert the social production relations in the direction of petty bourgeois relations. (I quite agree with him that abandonment or serious relaxation of planning may have serious negative results, although I should not say that this *per se* amounts to restoration of capitalism.) But none of this can be said of the Soviet Union, where planning remains firmly established and syndicalist tendencies towards "workers' self-government" at the plant level are (rightly or wrongly) almost nonexistent or, at most, quite a subordinate element.

True, there is a fashionable tendency among left intellectuals today, often richer in romantic sentiment than in grounding in socialist history, to regard the desire of a worker's family to possess a washing-machine as a sign of bourgeois degeneration.

* Ernest Mandel, "Yugoslav Economic Theory," MONTHLY REVIEW, April, 1967.

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Some of the criticism one hears from their lips possibly comes from an unhistorical confusion of Marx's "two stages of socialism" (now generally referred to as socialism and communism) and a utopian criticism of the former because it lacks the attributes of the latter (to which it has never made pretense). There have always been impatient critics whose ideas of equity have been ahead of "the economic conditions of the time" and who have yearned to jump two historical stages at one go. There has been a vein of recurring criticism from that of left Communists and left Social Revolutionaries in 1918 (objecting *inter alia* to higher salaries for "specialists," payment by results, and enforcement of workshop discipline through one-man management), through various opposition groups from 1920 onwards (e.g. the so-called "workers' opposition") who condemned NEP and the abandonment of "war communism" as a retreat toward capitalism, up to those who regarded the policy of "socialism in one country" and the industrialization drive as marking a "bureaucratic degeneration" of the revolution under state capitalist forms. Many of the complaints one hears today, *mutatis mutandis,* sound remarkably like echoes of those earlier complaints. If they were expressed in an historical context (which is but rarely done), they would differ only in their dating of when the alleged deviation from true socialism first occurred—whether as far back as 1920, in 1928, or only in 1956. As for talk about the alleged "new class"—less well-founded than talk about "*kulak*-dominated degeneration" in the '20's—can one do better than quote (once again) Deutscher's apt description of it as "look[ing] very much like a sociologist's Cheshire cat"?

But in the kind of left criticism that is inclined to deny the "continuity" between October 1917 and today there is, I believe, a strand that reaches back to an influential current of doctrine (and a famous rift) in the revolutionary movement of the 19th century—at least, it is strongly reminiscent, I suggest, of this. I am referring, of course, to the Bakuninist trend in the First International, which was in a number of respects sharply opposed to the Marxian, the conflict between them being largely responsible for the break-up of the First International. This other, non-Marxian trend, commonly known as anarcho-communism (alternatively and later as anarcho-syndicalism), was

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strongly colored by utopian and subjectivist notions, having a penchant for "propaganda by deed" and for "illegalism" for its own sake; and it notably flourished in countries of economic backwardness (e.g. the Mediterranean countries and Southeastern Europe), where industry and an industrial proletariat were weakly developed and such revolutionary base as existed lay in petty bourgeois or *lumpenproletarian* revolt against dispossession and exploitation. It is curious (and curiously little noticed) that some of the loudest criticism of so-called "Soviet revisionism" today should, indeed, hark back in its language, in so much of its emphasis, and its notions (even to its implicit, if not explicit, contempt for the "staid," "materialistic," working class) to the leading *non*-Marxist trend in 19th-century socialist history. If there is thought to be sound reason for this harking back in the changed situation and balance of forces in the world today, this should be clearly stated, and the "rejection" or "modification" of Marxist tradition faced squarely for what it is. Then, at least, we should no longer be arguing at cross purposes about socialism and what we expect of it.

One can only conclude by summarizing in restatement one's opinion that the October Revolution and its sequel have changed the whole map of history in this century more fundamentally and significantly than any other set of events within a similar time span throughout recorded history; that while both the Revolution itself and the subsequent industrialization of the country had special features deriving from Russia's backwardness, from her isolation, and from her enclosed position as the first breach in the capitalist front, this will remain an exemplar and inspiration for all future truly socialist change, by whatever path achieved; that the new social system emerging from the efforts, controversies, battles, the heroism of these post-October decades is basically socialist, and in this sense essential continuity of the revolution has been preserved; and that those major strains and distortions resulting in the previous period of rapid growth and great construction have been in course of correction and removal during the past ten years and are becoming a thing of the past. Finally, during the two postwar decades the country's economy has entered upon a new, more mature and affluent stage, in which new problems of efficient conduct and organization of a planned economy have arisen, to which new

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solutions and new methods are appropriate—solutions and methods which have been in course of animated discussion now for some years, and which are just now beginning to be applied and tried out. It is this which to my mind endows the present phase with an interest bordering on excitement for economists, and more widely for all socialists, only equalled (if at all) by those years in the 1920's when the ways and means of socialist industrialization were the subject of such grand debate.

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THE ECONOMIC REFORMS

BY JOAN ROBINSON

The changes in economic organization being introduced in the Soviet economies and People's Democracies, which the Chinese castigate as revisionism and the West hails as a return to the profit motive, are in fact a predictable stage in the industrialization of a formerly backward country. There is one grain of truth in the *take-off* idea. When modern industry is installed in a mainly agricultural economy, there has to be a period of high investment to lay the basis of the investment industries or of export industries to permit the import of investment goods. (This was not the case in the first Industrial Revolution when modern capital-intensive techniques had not yet been evolved.) During this phase the greater part of the output of investment industries has to be ploughed back into investment, so that little comes out, while employment increases and demand is rising relatively to the supply of consumer goods. Demand therefore has to be repressed one way or another.

During this phase in Russia an anti-consumption ideology was evolved in the administration. An administration has to have an ideology; no book of rules covers all cases in full detail. The individual bureaucrat has to know what is the right way to behave in the detailed decisions that have to be taken from day to day. During this phase the arithmetic of acceleration —that the proportion of investment in Department I (producing means of production) must exceed that in Department II (producing consumer goods)—became the first law of socialism. Ideology taught that consumer goods were not serious. Queues,

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poor quality, overcrowded housing, bullying manners were all part of the dedication to socialism. This imposed much hardship on the public over and above what was necessary. With no greater expenditure of real resources, much more could have been done, especially if trade in consumer goods had been permitted. (Smugglers over the Carpathians swapped Polish woollens for Czech shoes—planned trade could have improved the standard of life on both sides of the frontier without any reduction in accumulation.) The Chinese, whose ideology is centered on "serve the people," have, relative to their starting level, treated their consumers much better.

When the basis for investment has been laid, and power and transport sufficiently built up, the acceleration of investment ceases and a phase of steady growth sets in. During the first phase a rapid rise of the industrial labor force absorbs the disguised unemployment of the rural population; further expansion, above the natural rate of growth, must wait upon the spread of labor-saving improvements in agriculture. "Widening" gives way to "deepening." The emphasis must shift to efficiency, variety, and quality. The rough and ready methods of economic control, the rigidity of over-centralized planning, and demoralization due to the dodges and wangles which it imposes on the managers of enterprises, become fetters upon further development.

The reforms now under discussion are primarily directed against the evils that have become obvious under the old system. They are intended to improve the productive efficiency of the individual enterprise, to enlist the enthusiasm of the workers for production, and to see that the consumer goods produced are what the public actually wants to buy. New institutions and methods of operation have to be evolved.

The socialist countries are setting out upon uncharted seas. There is no consistent body of doctrine to guide them. Some of their economists have been impressed by the virtues of the market system as depicted in Western textbooks; some are dazzled by the technical efficiency of capitalist industry; some have studied the achievements and disasters of Yugoslav experiments; some believe that everything can be reduced to mathematics and put into a computer. All the *a priori* discussion is scrappy and confused; the problems will be solved (or bungled) in practice; theory will rationalize it later.

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The main element in the various experiments now being carried out is to give greater authority and initiative to the management of the individual enterprise. The unworkable system of manifold plan indicators is to be reduced to an instruction to maximize profits (in the Czech system, to recover costs from the market).

Western commentators like to identify the profit criterion with the profit motive. But, of course, the managers are not to be amassing wealth for themselves. Provided prices have been reasonably set, greater profits are a sign of improvements in productivity for which the manager gets credit from the authorities and approval from the workers, but money for himself only to the extent of a small proportionate bonus.

No doubt striking improvements have already been made where the new system has been installed, simply by freeing the managers from plan indicators that had become absurd as the level of development rose—for instance, the use of gross output as the measure of plan-fulfilment, which stimulated waste of material. But as a continuing system, after the hump of immediate reform has been exhausted, what does it mean?

It is necessary to recognize that the abolition of private property in the means of production and of hereditary classes does not abolish conflicts of interest in industrial life. Even in the West the profit motive has nowadays a limited field of operation. The great industrial corporations are run by employees. Enlightened capitalist management regards itself as serving the interest of shareholders who legally own the equity in a corporation, the customers whom it supplies, and the workers whom it employs.

Managers are not working primarily for the profit of the shareholders, they are working for the corporation as such, inspired by that curious mixture of egoism and patriotism that attaches individuals to institutions. They need to make profits and pay dividends to keep up the value of shares, so as to maintain the credit of the business, to save themselves from being bought out and dismissed, and to permit the business to grow and fulfil the ambition that they have invested in it.

Presumably the Soviet managers will have much the same attitude to the profits which they turn over to the state. A respectable level of profit satisfies personal ambition and corporate patriotism, and provides a guarantee against demotion.

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But profit is not a simple criterion. For one thing it involves a continuous choice between the present and the future. One of the drawbacks of the old system was a tendency to neglect care and maintenance of plant for the sake of current output. How will this be avoided under the new system? Under managerial capitalism, it is avoided by the dedication of successive generations of managers to the immortal business. Have the Soviet managers developed this kind of patriotism? And, if so, does patriotism with them, as it does in the West, turn into industrial empire-building?

The discussions going on in Russia today are often conducted in terms of the rate of profit on capital invested, but it seems that the profit criterion is actually applied in a short-period sense. What is to be maximized is the quasi-rent from a particular plant. The manager finds himself in charge of an installation and is instructed to make use of it in such a way as to get the maximum possible surplus of proceeds over running costs. But why should the *rate* of profit on the cost of the installation be an object of policy? Marx maintained that under capitalism "prices of production" rule—that is prices of commodities are such as to yield a uniform rate of profit on capital. In fact, in the capitalist world prices are set on the basis of what the traffic will bear. In lines where entry is easy on a small scale, competition keeps the rate of profit much below that which rules amongst the great oligopolists. The idea of a uniform rate of profit was a simplified theoretical concept—a step in the argument about the labor theory of value. Why should a uniform rate of profit be desirable under socialism? Socialist profit represents the means by which a surplus is collected from the sale of consumer goods to pay the incomes of those engaged in investment, administration, defense, and non-priced social services. Why should this surplus be collected *pro rata* to capital invested? On this subject there seems to be a great deal of confusion in economic theory both East and West.

What about the consumer? Some freedom is given to enterprises to vary the prices of consumer goods. At present this is mainly to allow a reasonable range of prices for differences of quality so as to encourage the production of better-class goods. As a long-run system how would it work? The management and workers of a particular enterprise have been given an interest in its profitability. Will they be tempted to make more

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profit for less work by keeping up prices? An actual *rise* of prices could be checked by the authorities, but how can they be sure that potential savings in costs, in the future, will always be passed on? Yugoslav experience seems to show that "monopolistic competition" can produce very similar results wherever it is found.

Relative prices, from the consumer's point of view, are much less important than Western economics makes out. Provided that (while incomes are unequal) the price system is not regressive—that is, so long as the prices of necessaries (especially for children) are kept low—it does not really very much matter how the surplus is collected from luxuries. The purchasing power of money to each family depends upon the relation of its needs and tastes to the system of prices, and there is an inescapable element of luck in it whatever the price system may be. What is far more important for consumers is the availability and design of goods. It is here that the greatest and most important improvements could be made under the new system, but the provisions for making them seem to be sketchy. Manufacturing enterprises can no longer fulfil their assignments by dumping unsaleable goods on the retailers, but how are they positively to be guided to produce what the consumers would find most satisfactory?

Under the Chinese system, the local office of the Ministry of Internal Trade in every center operates as a wholesale agency: guided by the experience of demand at the retail level, they place contracts with producers, specifying designs in full detail. Thus the perpetual headache of the "assortment" does not arise. Chinese standards of demand are still simple, but there seems no reason why this system should not be able to operate at no matter how high a level. It can operate, however, only in the setting of civic morality that prevails in China. Amongst traders who have learned wangling under the system of centralized planning, it might be open to abuse.

Some way will have to be found to bring demand to bear upon supply. A consumer service is needed with some economic power independent of the producers, equipped with facilities for testing, design, and research. We are told that lately the housewives of Moscow put forward a demand for dish-washing machines. Institutions are needed to encourage and systematize just that kind of thing.

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At the highest level, too, the democracy of consumers should have a voice. The socialist world is stepping into the region of affluence—where will they want to go? The dismal prospect of overtaking America is all that they have been offered so far.

And what about the workers? Here the conflict of interest with the state and the consumer is at its most acute. Must a socialist economy follow the capitalists in treating as a *cost* any amenity in working life and as a *benefit* only what is consumed at home? A worker spends half his waking life in a factory; why should his comfort only in the other half be counted as a gain? The Chinese can still overcome the dilemma by political enthusiasm which makes work a pleasure. In the Soviets it is too late for that. How will the managers under the new system find a balance between the demands of discipline and high productivity on the one hand and the demands of the workers for some relief at last from grinding toil on the other? The hope of bridging the gulf by incentive wages has often proved vain in Europe (perhaps the American worker has been more successfully hooked); for the workers, in a civilized manner, decide what is a reasonable effort to put in and frown upon anyone who does more.

And what about employment? One of the main improvements in efficiency that can be expected from the introduction of the profit criterion is an economizing of manpower in every enterprise. How will those economized find other jobs? The rhythmic change in the Soviet administration from centralization to decentralization is in a re-centralization phase at the moment, no doubt with good reason; but one problem that must be dealt with regionally is the manpower budget.

All these problems will arise and will be solved somehow or other as the new system grows up. Will the outcome be a reproduction of managerial capitalism, with merely a little more public spirit, greater equality of opportunity, and less waste of trained manpower in futile occupations?

That would no doubt be a great improvement on any industrial system yet known, but is this the socialism for which so much blood was shed? Chairman Mao launched the Cultural Revolution to forestall these developments in China. Will fresh conceptions spring up amongst the Russian people, once the economic base is secure, or will they sink into complacency like the rest of the affluent world?

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THE NEW ECONOMIC COURSE

BY LISA FOA

It is rather striking that discussion concerning the nature of Soviet socialism should only suddenly break out at the very moment of the launching of the "new economic course" in the USSR and of the adoption of profitability as an indicator of the success of the socialist enterprise. Debate has arisen in many countries in Marxist circles on the nature of the economic reforms presently being implemented in most of the European socialist countries, but there is as yet no unanimity. Witness the differing contributions to MONTHLY REVIEW during the last two years. However, the most widely held opinion, expressed with varying degrees of criticism, is that the introduction of certain market mechanisms into a planned socialist system and, in particular, the placing of emphasis on the role of "material incentives," represents a return to criteria which have nothing to do with socialism, and thus marks a step back in the evolution of socialist economy, if not a direct "return to capitalism."

Behind the reservations and doubts expressed about these measures being undertaken by European socialist countries to "modernize" their economies, lies an implicit demand for a judgment which takes into account not only the immediate economic conditions in which these reforms have developed, but also the whole of the preceding phase of socialist economy and society. It is obvious, however, that such a judgment must go beyond a pure and simple re-assessment of the period of the Five Year Plans as the most coherent and advanced phase of socialist economy. So today—on the 50th anniversary of the October

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Revolution—a general discussion of the Soviet "model" is called for, not only as part of the formal celebration of the occasion, but because it is important to arrive at a correct interpretation of the modifications which are being introduced into the traditional model.

We must make some reference therefore to the phase which preceded the "thaw" in the economic field, and which led more or less directly and logically to the current reforms. It would be an oversimplification to regard the drive towards a revision of the system of Soviet planning as following automatically from the turn registered by the 20th Congress. Certainly that Congress meant a departure—perhaps more ostensible than real—at the political level, and brought about some changes in certain aspects of Soviet state policy (e.g., in domestic policy, the "re-establishment of socialist legality," in international politics, the new formula of "peaceful co-existence"); but there is some doubt as to how much influence it had on economic reforms, or whether it hastened the process of critical reconsideration of the criteria and methods of economic planning. At the same time it would be oversimplifying and arbitrary to try to draw a rigid distinction between the "thaw" on the political level and the "thaw" on the economic level. There is no doubt, however, that the process of economic reform has followed a more complex and devious course than appears at first glance. If we try to relate it strictly to recent events in political life or even to decisions of the political leadership, we risk losing sight of the specific, and to some extent autonomous, nature of the process.

The concrete shape assumed by reforms in the European socialist countries undoubtedly expresses the current concern of the leaders to find solutions to certain alarming problems on the economic front: slowing down of the rate of growth, disproportions between production and consumption, idle capital and excessive stock-piles of goods. The transition from the satisfaction of basic needs to a more mature and differentiated productive system did not come about—as had been anticipated ever since the beginning of industrialization, when the slogan "overtake and surpass the most advanced capitalist countries" was launched—through a simple arithmetical multiplication of the goods produced. The traditional imbalance between industry and agriculture was not remedied by a simple revision of the terms of trade between town and country. Nor was progress

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made in the "economic competition" between two systems on the international level as the automatic result of the rising productive potential of the socialist camp and its growing share in world production. For some years during the Khrushchevian decade, the illusion was nourished that these problems could be quickly resolved by administrative measures or bureaucratic reforms inspired by an empirical "common sense." The traditional bureaucracy vainly hoped to find within itself the strength and ability to regulate the economic system under the new conditions without introducing radical innovations or applying new methods going beyond a mere reshuffling of responsibilities, a territorial shifting of cadres, or a change in crop rotation. With the fall of Khrushchev these fancies also collapsed. The "profit reform" introduced by Kosygin in December, 1965, which in many respects followed the line of the Khrushchev reforms, did however introduce some definite innovations, both as regards the "market" criteria adopted and institutionalized in the new planning system, and as regards the forces mobilized: management at the enterprise level and the technical cadres.

How far is this latest version of economic reforms in the USSR—and in the other socialist countries which have followed the same essential line—adequate not only to the conjunctural needs of the economic system but also to the demands and expectations of socialist societies which have gone beyond the phase of primary accumulation and are able to set more advanced goals in the fields of production and consumption? Does this type of reform mean overcoming obsolete methods of economic administration? Or does it mean, as is often claimed, a retreat from the typical goals of a socialist society?

Awareness of the need to break with the limitations and the rigidities of a development model devised for rapid industrialization— a model which in the USSR took shape under the heavy pressure of economic factors which could not be quickly modified—is no new thing in Soviet society. The Stalinist purges —aside from many gratuitous cases—were to a large extent the negative expression of attempts to improve a system of economic and political management which had become crystallized in bureaucratic forms and was prone to resolve each and every problem by means of administrative orders. It was no accident that in the economic field critical re-thinking on management methods took on from the beginning the form of a polemic against the

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excessive rigidity of "material balances" and against the exclusive use of conventional administrative accounting; nor was it an accident that the first signs of the resumption of this debate at a scientific level in the postwar period—after the long silence which characterized the period of accelerated industrialization—should be concerned with such problems as economic accounting, price formation criteria, the function of the law of value in socialist economy, and the efficiency of investments.

If today we re-examine these first discussions of the postwar period, it is easy to find, especially in the more extreme positions of such experienced planners as Stanislav Strumilin, forewarnings of the current return of market concepts. At the same time the pressure which was being exercised for a gradual changeover from the Stalin method of "quantitative indicators" to "qualitative indicators" had a significance which went beyond the specific terms in which the discussion was being conducted. It represented a first step toward practical and theoretical research aimed less at drawing immediate conclusions than at re-launching ideas and theses which had remained on the shelf since the late 1920's. It meant also an explicit and critical reassessment of the validity of long-applied methods of economic management which were clearly yielding diminishing returns. And it was an attempt to break down the monopoly of the central administrators over economic decisions, to stimulate the collaboration of experts and scholars in defining perspectives for the development of the socialist economy. It was, in short, evidence of a ferment of ideas, of a willingness to engage in research and experiment, in sharp opposition to the rigidities of Stalinism.

To what extent these new ideas have found expression in the "new economic course" is not easy to say, just as it is not easy to say how far the 20th Congress faithfully mirrored the real ferment in Soviet society and how far it represented an attempt to control and channel from above the strongest pressures for a democratic reactivation of society. In the literal sense the economic reforms of today—as has already been said—take up again some of the main themes of the previous decade. The elimination from the central plan of numerous detailed targets, the greater importance accorded to qualitative indicators (production costs, labor productivity, efficiency of investments), the coordination of production and demand, the horizontal relations

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between producing and consuming enterprises, the accounting autonomy of the enterprises—all these are innovations which introduce a certain elasticity into the functioning of the productive system and greatly modify the traditional criteria of evaluation and economic accounting. But it is important to note that these measures of "rationalization" were introduced into the framework of the "profit reform" of 1965 in such a way as to focus attention on problems of efficiency at the enterprise level, and paid relatively little attention to the macro-economic aspects of planning. Under these circumstances, it is difficult to understand the significance of the Liberman formula, "what is profitable for society should also be profitable for the individual enterprise." For even after it has been decided what constitutes, by the profit criterion, a successful operation for a single enterprise, there remains the problem of measuring individual efficiencies by criteria relating to the system as a whole and evaluating them according to priorities laid down in the central plan. In other words, it has never been made clear how enterprise efficiency is supposed to be related to criteria of social efficiency proper to planning.

The reforms were introduced at the enterprise level before the new terms of centralized and perspective planning had been clearly defined (the delay in formulating the new Five Year Plan and in revising the price system, for example, were not accidental) and before the respective responsibilities of the central planning organs and of the productive units had been laid down with sufficient precision (e.g. the degree of decentralization of productive investments to be financed from the new enterprise development fund was not determined). In spite of the broad array of problems dealt with in the economic debate during the last ten years and the new perspectives opened up by research in mathematical economics, notably by the elaboration of macro-economic optimizing models, one has the impression that the general drive for a change in economic organization has started and finished in a simple reform at the enterprise level, in which the technico-productive or accounting aspects tend to predominate. It is significant that the new mechanism of material incentives tied to the enterprise's profit applies almost exclusively to the directors and the engineering and technical staffs.

There are many problems which the "new economic course" either evades or deals with in an imprecise way. The new

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methods and criteria of planning are for the most part defined through a vague re-evaluation of market-monetary relations, and there has been as yet no serious study, in ideological and theoretical terms, of what the reintroduction of market mechanisms can mean in a relatively mature socialist economy. Interest in defining the long-term objectives of a socialist economy, typical of the first decades after the revolution, seems to have disappeared, save for a concern with the need to balance output of production goods and that of consumer goods, and a somewhat abstract idealization of technical progress and efficiency as ends in themselves. The pressure for "initiative from below" stops short at the granting of wider powers to enterprise managers, leaving intact the authoritarian structure within the productive enterprise and failing to stimulate a revival of the representative organs of the workers (trade unions, factory assemblies, workers' councils, etc.).

Thus even though the "reform of the enterprise" contains certain innovational elements as compared with the bureaucratic reforms of the Khrushchev era, and although for the first time in many years something is changing in the hierarchy of the Soviet economic system, this "new course," too, is—so far—a superficial operation which may perhaps give a varnish of modern efficiency to the old and ponderous productive machinery of the Stalinist Five Year Plans but does not reach the heart of relationships in the workshop or in society.

The conditioning of the past, which these measures were supposed to shake off, is still too strong. On many problems reforms have not gone beyond a pure and simple mechanical reversal of earlier criteria and methods. For example, when profit replaces volume of physical production as a success indicator, the expected qualitative leap at the level of production relations does not come about: the replacement of a quantitative criterion by a qualitative criterion simply means that for the myth of production as an end in itself is substituted the myth of efficiency, torn out of its socio-economic context. If one ties the mechanism of material incentives to the level of profits, instead of to physical production, one is in no way changing the essence of work relations or improving the attitude of Soviet man towards production. If for the system of commands from on high, which characterized the relations between the center and the periphery in the Stalin epoch, one substitutes market

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mechanisms, one does not thereby bring about mass participation in the making of economic decisions. If, finally, alongside the old inert cadres of state and party one makes space for more modern and dynamic cadres of the technico-productive organization, this partial renewal of leadership cannot be interpreted as a step towards socialist democracy.

There has often been talk, à propos of the present economic course, about how the influence of Western ways of life and consumption strongly accentuates the regressive character of the present phase and the drift toward capitalist forms of organization. Such a judgment might give rise to confusion if the present trend were to be contrasted solely with the "austerity" of the Stalin era. Over and above the conditions imposed by the acceleration of industrialization, and by the consequent high rate of accumulation, the policy of limiting consumption had become, in the Soviet system, not only the cause of a deep structural imbalance but also—in the extreme and rigid forms in which it was applied—a brake on the utilization of marginal productive forces that are by no means insignificant (forces which are utilized in certain countries, such as China, which are certainly not open to Western suggestion), and also, to some extent, a bureaucratic instrument for the control and conditioning of social life. It is therefore not correct to consider that a quantitative and qualitative increase in consumption, nor even the granting to citizens of certain margins of individual freedom in their choice as consumers, constitutes in itself a regressive fact in a socialist society which has achieved a certain degree of development.

Distortion, to be specific, comes about not so much as a result of having planned a qualitative and quantitative expansion of consumption as in not having a selective consumption policy tied to a precise scale of proprieties. The schedule of preferences (socialization of fundamental services such as health and education) which characterized the restricted consumption sector in the Stalin epoch and symbolized the superiority of the otherwise backward Soviet economy vis-à-vis the more developed capitalist societies, has been progressively dissolved during the last decade as a result of the more rapid development of individual as against collective consumption. And it is this process which has given rise to the illusion that it is possible to incorporate into a planned socialist economy certain Western con-

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sumption models. Typical is the case of automobile production, development of which is destined not only for productive ends but also for individual uses. It is unlikely that this trend can be quickly modified, given the decisive importance attributed in the "new course" to material incentives and to a sharper differentiation in individual earnings. The emphasis on material incentives, and the simultaneous bitter polemic against any form of income leveling, are in clear contradiction with the officially declared program of "building communism." But one should not exclude the hypothesis that in spite of a firm adherence to the principle of a certain differentiation which also exists in the more egalitarian socialist countries, there has been a resurgence in the USSR and in the European socialist countries of demands for some degree of leveling, and for a revival of collective consumer and social services.

How far the current orientations, which still have not been validated by experience, can be changed, depends on many factors, some of which are difficult to foresee. In the domestic field, however, it would not be completely absurd to imagine that certain policies could be modified at the top, or even to a certain extent contested by movements from below, resulting for example from the re-activation of the trade unions (which up to now have been subordinated to the production needs of the plan), or as a consequence of the tensions unavoidably stemming from a more rational organization of labor. In the international field the policy of "economic competition" with the capitalist system, which today involves seeking forms of integration with the developed areas of the world, could prove before long to be inadequate in respect to the pressing demands of the underdeveloped areas for a new international division of labor. After all, today's internal economic problems and solutions have to be evaluated not simply in the light of the narrow national situation but from the point of view of the role they play within the framework of world economics.

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FROM OCTOBER TO THE CULTURAL REVOLUTION

BY I. B. TABATA

The birth of a socialist state on the soil of Russia in October, 1917, was a turning point in human history. Never was there an event that aroused the genuine interest of so many people throughout the world. Not even the Great French Revolution, which in its time was regarded as a world-shaking phenomenon, ever affected so intimately the lives of so many people in all the continents of the world. The October Revolution kindled and fanned the revolutionary fire in the breast of the working class and peasantry in all the continents of our planet. It was this international working class that in the final analysis saved the young socialist state from strangulation at birth by imperialism. The mention of this fact does not in any way detract from the heroism of the workers and peasants of Russia, with its young revolutionary army which was born in the struggle itself and fought on every front against the onslaughts of the imperialist armies of the world. One sixth of the world had broken away from the orbit of capitalism-imperialism. From then onwards all the oppressed and exploited regarded the Soviet Union as a base for the struggle for international socialism. All their hopes for the successful struggle in their various countries were inseparably bound up with the fate of the young socialist country. It is important to note that not only the workers and peasants of the world held this view but the leadership of the Bolshevik Party which led the revolution also regarded the USSR in this light. In fact there was a strong feeling among the leaders that a victory in highly industrialized Germany would be in the best interests of international socialism even if it meant

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a temporary loss of the USSR. Such was the spirit of internationalism amongst the founders of the Bolshevik Party at the time.

After fifty years (admittedly not a long time in historical terms) the oppressed people of the world and a goodly section of the working class still need to be convinced of the superiority and advantages of socialism over capitalism. In 1917 the conscious elements among the working class did what they could to save the young socialist state. Many were prepared to lay down their lives in its defense. To them the USSR constituted a base from which the struggle for socialism would be launched throughout the world against capitalism-imperialism. Were these high hopes fulfilled? What happened? It is not the intention of this article to answer these questions. It can do no more than suggest one or two reasons why the general consensus is a feeling of disappointment, which does not, however, by any means denote despondency or lack of revolutionary optimism.

The international revolutionary potential broke through the capitalist integument at its weakest point—Russia. This was not due entirely to the activities or strength of the Russian Communist Party or the workers' and peasants' movements in that country. This historic event reflected the relationship of forces, the correctness of Marxism, and its indispensability as a weapon of analysis and a guide to action. What has come to be known as Leninism is the application of Marxism to the concrete revolutionary situation. The October Revolution is a living example of this fact. It is a beacon that serves as a guiding light to all subsequent revolutions.

Today there is a growing multiplicity of "isms" all claiming to be the direct descendants of Marx and the authentic proponents of Marxism. What is of interest is that imperialism covers all these under one blanket term, communism. It finds it imperative to label all its opponents in order to alert its followers, its agents, and its misguided supporters. Naturally imperialism, being highly class conscious, makes a differentiation between these various "isms." It knows its mortal enemies, the genuine heirs of Marx, and directs its poisonous darts at them with all the ruthlessness at its command. It also knows all the spurious "isms" against which it merely feigns opposition while preserving them as future instruments of compromise or even as allies in case of need.

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Within the socialist camp, on the other hand, there seems on the whole to be less evidence of that sharp class consciousness so typical of imperialism, which makes a clear-cut distinction between the real enemies and their opponents within the same camp. Among the socialists each "ism" tends to regard the rest as mortal enemies to be destroyed at all costs. In fact some of them have been singled out as swear-words—a tactic calculated to put them beyond serious consideration as a tendency within the socialist camp without any regard to their basic standpoint. Apart from the divisive effects of this tactic, the result has been to stifle free criticism and discussion. The followers are not given the opportunity of studying the other "isms" so that they may be able to discern and judge the truth for themselves. Marxism is not a dogma to be learned by rote. It is, among other things, an instrument for analysis. This implies maximum freedom of thought, discussion, and self-criticism. Without these essential freedoms, the first casualty of Marxism is its universality, its breadth, and its all-embracing historical approach. What follows is indoctrination and pragmatism, the very antithesis of Marxism. There is a tendency today for every event to be treated in isolation, in disregard of its historical background and its dialectical interconnection with other social phenomena. In the period of decay of capitalism-imperialism, many social and political problems present themselves in their acutest forms, necessitating close examination and serious discussion by all revolutionaries. There is, for instance, the question of modern revisionism which has been the subject of controversy. Many good articles have been written on the subject, but for the most part their impact has been limited by a lack of historical approach and a failure to elevate the discussion to a theoretical plane. What is known as Khrushchevism has been discussed on the basis of specific actions or decisions by him and his immediate collaborators. Many good articles have also been written on Khrushchev's policy of coexistence, others on Kosygin's peaceful transition and peaceful evolution. But most of them have been marred by a lack of an historical approach, by a tendency to treat each event as if it were not related to the others—as if each action or decision had dropped from the blue and was not a natural consequence of preceding events bound up with a particular philosophy, formulated or implicit.

The policies of the present Soviet government are a sub-

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ject of the sharpest and most violent controversies in the socialist camp throughout the world. They are for the most part debated on the merits or demerits of the results in each concrete situation and without reference to the overall approach that has given birth to them. The discussion is not carried much further even when it is lifted to an ideological plane under such rubrics as Khrushchevism or modern revisionism, precisely because modern revisionism is not traced back to its source.

It is our view that modern revisionism took its form and shape with the formulation of the theory of "socialism in one country" as far back as 1924. If ever there was modern revisionism, that was it. Stalin's theory of "socialism in one country" was the first departure from Leninism. It was a revision of Marxism, exceeding in the magnitude of its consequences all previous theoretical deviations. It dealt a reeling blow to internationalism and proletarian solidarity. It also violated the concept of socialism as a stage historically superior to capitalism in its socio-economic structure and international division of labor. This retreat to nationalism, to the idea of a nationally self-sufficient socialism, was incompatible with the traditions and principles of Marxism. As the mortal combats in each country took place between the socialist forces and capitalism-imperialism, the foreign policy of the Soviet bureaucracy revealed itself above all as based on narrow national considerations. This policy led inevitably to the abandonment of the struggle for an international revolution and even to its obstruction. Its dire consequences were to unfold themselves with the heightening of the revolutionary temper throughout the world.

The national requirements for the development of "socialism in one country" dictate a policy of peace at all costs and renunciation of the international class struggle. It gave rise to conciliationism and class collaboration, to the policy of the "bloc of four classes," to parliamentarism as against revolutionary struggle, all of which led to the evolution of the current ideas summed up in the slogans of peaceful coexistence, peaceful competition, and peaceful transition. The spurious theory of red fascism in the early thirties as applied to the working-class mass organisations under Social Democracy, led to the defeat of the German revolution and the triumph of Hitlerite fascism. The numerous Popular Fronts in Europe which harnessed the revolutionary energies of the working class to the chariot of the

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bourgeoisie were calculated to serve the national interests of the Soviet Union.

In 1936, fascism, nazism, and imperialism in general united to crush the Spanish Revolution, while the Soviet Union was preoccupied with its own national interests. Up to this point the world in general had not fully grasped the dire implications and ramifications of Stalin's revisionism. The Stalin-Hitler pact of 1939 came as a resounding shock to revolutionaries throughout the world. It signified a break with internationalism, a contempt for the working class, a betrayal of Marxist principles, and revealed a lack of faith in the world revolutionary potential. With his rear covered in terms of the pact, Hitler let loose the carnage of the Second World War in which the workers and peasants of one country massacred those of another. In its own country the Soviet bureaucracy rallied the masses to war under chauvinistic slogans. Gone were the days of class solidarity. The old slogan of "Workers of the World Unite" was buried beneath a heap of numerous, ancient Slavic gods, resuscitated for the occasion. As if this by itself were not sufficiently scandalous, the Soviet bureaucracy ordered all the Communist Parties under its wing to call a halt to the class struggle in their various countries in the interests of the cause of the allies in an imperialist war for the redivision of the world. The policy of defensism which Lenin fought against with might and main was reintroduced with devastating effects. The workers in those countries allied to the Soviet Union were enjoined to decimate the German, Italian, and Japanese workers together with their bourgeoisies. All the teachings of Marx and Lenin concerning capitalist and imperialist wars were thrown overboard. National interests replaced class interests and considerations. This outlook of the revisionists was to guide all their actions throughout the war and its aftermath.

The vaunted unanimity amongst the "Big Three" powers at their conferences at Teheran, Yalta, and Potsdam raised the eyebrows of revolutionaries. It was enough to arouse their suspicions that there should be unanimity between the arch-imperialists and the head of the Soviet state on questions vital to the revolution itself. A world war, no matter what its proclaimed cause and aims, must of necessity put on the agenda the question of socialist revolution versus capitalism-imperialism in all its depth and breadth. Every question discussed must in some

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way manifest the attitudes of the contestants towards this problem. This in itself left no room for unanimity unless the one side abjectly compromised. It was Stalin who servilely yielded to the dictates of imperialism, precisely because these coincided with the requirements of the Soviet Union as a national state as distinct from its function as a bridgehead for international socialism. A list of crimes committed in pursuance of this policy would fill volumes. Suffice it to mention but a few.

In France the big bourgeoisie, not for the first time in history, betrayed the country to the enemy. They opened the gates to the Nazi military juggernaut as they had done previously to the Prussian army in the 19th century. At that time, it was left to the working class of Paris to defend the country. Adopting a revolutionary method, it carried the struggle to its peak in the formation of the Paris Commune. This time, as if summoned by the distant echoes of a glorious past, the workers of France organized a powerful resistance movement against the mightiest military machine yet known in history. It is on record that the resistance movement emerged after the war as the most popular and most powerful social unit. The logic of the movement, in which the Communist Party in France occupied a leading position, should have culminated in the seizure of power by the proletariat and the creation of a workers' state. But the Party, acting under Moscow's direction, disarmed the working class, handed power over to de Gaulle, all in the name of "democracy" and for the cause of the "allies." The heroic workers of France were not to know that the "Big Three" had already concluded an agreement whereby Europe was to be the sphere of influence of Western imperialism. The same fate was awaiting the working class of Greece. As early as October, 1944, Stalin and Churchill had concluded a secret agreement whereby Greece would fall under the control of British imperialism. In return the Soviet Union would be given a major share of influence in the Balkans. The agreement contained a clause authorizing Britain "to take military action, if necessary, to quell internal disorder" in Greece, and the Soviet Union would not interfere. In December of the same year, a civil war broke out in Greece. The partisans soon took command of the situation. The success of the revolution was within reach when the British backed by American imperialism ferociously crushed the revolution, while the Soviet bureaucracy watched the massacre with indifference,

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coldly adhering to the letter of their part of the secret agreement.

In Vietnam the progressive forces under the leadership of the national liberation movement, the Viet Minh, swept into power on the surrender of Japan in 1945 and immediately tackled the most pressing tasks, the formation of a central government and a solution of the agrarian problem. Unknown to the Vietnamese people, the "Big Three" closeted far-away in Potsdam were busy carving their country into North and South Vietnam, each to be given to an allied country as spoils of war. North Vietnam was apportioned to Chiang Kai-shek with the full consent of Stalin who remarked that "Chiang Kai-shek was the only force capable of ruling China." South Vietnam was allotted to Britain, and British troops proceeded to occupy Saigon. The Vietnamese people, who had recently risen against the French and Japanese and helped to clear their country of the foreign invaders, prepared now to resist the British. Moscow advised them to have confidence in their "British allies" and to lay down their arms. But no sooner were the British in occupation than perfidious imperialism concluded a deal with the same French colonial power that had been driven out of Vietnam, to reoccupy South Vietnam. The Vietnamese took up arms against the French who succeeded in installing themselves in the South only with the help of the British and American armies.

The French, now in control of the South, bribed Chiang Kai-shek to withdraw his armies from the Northern sector and proceeded to make plans to recapture the whole of Vietnam. This blatant betrayal fanned the fires of a resistance that engulfed the whole country. Some still hoped in vain that in face of this perfidy, Moscow would come to the aid of the Vietnamese people. The contrary happened. The Moscow-controlled Communist Party of France threw all its weight behind its government. The Socialist Premier Ramadier and the Vice Premier Maurice Thorez, leader of the French Communist Party, both signed the military order supporting the French imperialist war against the Vietnamese people and their revolution. The reasons for this dastardly act had been advanced in the Communist Party paper the year before: it did not want to see France reduced to "its own small metropolitan territory." Doug Jenness in his *War and Revolution in Vietnam* quotes from the Party paper *L'Humanité*: "Are we, after having lost Syria and Lebanon yesterday, to lose Indo-China [Vietnam]

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tomorrow, North Africa, the day after?" With such expressions of unabashed defensism, the subsequent betrayal of the Algerian Revolution was a foregone conclusion. This social patriotism was matched only by the chauvinism of the Soviet bureaucracy. The imperialists themselves could not have put their case with more brutal frankness.

In China, the Soviet bureaucracy pinned its faith on Chiang Kai-shek to the very end. Just as it instructed the Communist Party in Greece to reach a compromise with the monarchy in response to the will of imperialism, so it put pressure on the Chinese Revolution to come to terms with Chiang Kai-shek. The Soviet bureaucracy had lost faith in the triumph of the international revolution. On the threshold of the victory of the Chinese Revolution, when the forces of arch-imperialist America were fighting side by side with Chiang's armies against the Chinese revolutionary forces, the Soviet bureaucracy was still locked in a warm embrace with its imperialist allies. All these counter-revolutionary operations were undertaken in the interests of the "Fatherland" and in the name of Marxism-Leninism. This is the logic of the revisionist nationalistic theory of "socialism in one country."

It is true that Stalin, the realist, accepted the Chinese Revolution after it had become an accomplished fact and made many agreements with it, including the granting of aid, technical assistance, etc. But this in itself did not signify that the Soviet bureaucracy had returned to the Leninist road. It only threw into bold relief the outrageous atrocities that had been previously committed as well as those heinous crimes that were to be perpetrated by Stalin's successors. Without doubt Khrushchev, Kosygin, and Brezhnev are the direct and true heirs of Stalin. The difference between them lies in this, that Stalin grew up in the traditions of Lenin's party. His revisionism-nationalism still had some vestigial remains of the old traditions. His heirs, however, were reared in the political milieu of revisionism. Untrammelled by any Bolshevik reflexes, they express the very essence of Stalin's revisionism, distilled in its most purified form. When Khrushchev unashamedly sought to effect a concord with American imperialism, he was serving notice to the world that henceforth his government was going to devote itself entirely to the national interests of his country. Nothing that jeopardized these aims would be tolerated. It might be said that this was nothing

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new. This is true. But the ruthlessness with which he carried out his policy and the devastating effects of it on an international scale, gave some the impression that there was in fact a change. The truth of the matter is that the only difference was that Khrushchev and his successors carried out the policy with a diabolical logic that derived its inspiration entirely from a rampant nationalism. In order to prove their *bona fides* to their imperialist allies, they had to declare war on the revolution wherever it appeared on the horizon. Their first act was to break relations with the Chinese revolution; they annulled all the agreements Stalin concluded with it, withheld atomic secrets from a sister socialist state leaving it defenseless and a prey to imperialist blackmail, withdrew all technical experts and aid, and finally instituted an economic blockade against China at a very crucial time in her development.

Assured of the good faith and neutrality of the leaders of the now powerful Soviet Union, United States imperialism embarked upon an unbridled assault on the revolution throughout the globe. It constituted itself into a gendarme of the world equipped with the most fiendish weapons to annihilate what it calls communism, together with all those who dare to raise their voices against oppression and exploitation. To gain some idea of the enormity of the crimes that followed upon the application of modern revisionism, it is only necessary to state that had Marxism-Leninism prevailed in the Soviet Union from 1924 onward, the history of the world would have been different. Hitlerism in Germany would never have come to pass, and mankind would have been saved the bestialities of the gas chambers and the horrors of the Second World War. Had the Soviet bureaucracy adopted China as an inviolable socialist territory and established a dynamic unity between the two countries, American imperialism would never have dared to make a bid for world domination. It would not have dared to surround China with military bases dotted all over Asia. There would have been no invasion of Korea, no massacre of the Vietnamese people today. All the imperialist countries put together would never have had the temerity to commit genocide in Asia, Latin America, the Middle East, and Africa. All this was possible only because revisionism replaced Marxism-Leninism in the first workers' state—the country of the October Revolution, Russia.

It is necessary, however, to be aware that the world today

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has passed the darkest hour that precedes the dawn, notwithstanding the fact that both sides, socialism and capitalism-imperialism, are preparing for a titanic battle that could decide the fate of mankind for many decades to come. On the subjective plane, revolutionaries everywhere are reviewing the past epoch and the causes of the failures in the light of the ideas of Marx and Engels. Everywhere there is a clamor for a return to Marxism-Leninism as the only guarantee of the survival and success of international socialism. On the objective plane there are several strategic springboards for launching the battle for socialism. Cuba knows that it is doomed unless the revolution spreads to the continent of Latin America. North Korea and Vietnam are aware of the same fate. They know full well that imperialism is poised to strike a blow unless international socialism rallies to meet the challenge. These factors alone, taken in conjunction with the quickening revolutionary consciousness throughout the world, give rise to a firm hope and revolutionary optimism.

The gigantic events taking place in China today under the name of the "Cultural Revolution" are not unconnected with the world situation and have a significance that goes beyond the boundaries of that country. No one who goes to China can fail to notice two things: (1) that the population is being geared for a defensive war against imperialism and its allies and that as part of this preparation the people are being imbued with the spirit of internationalism; and (2) that Khrushchevism in China is being uprooted because it is incompatible with class solidarity which alone can ensure the victory of China and world socialism.

For lack of adequate material, it is difficult for the outside world to assess the events currently taking place in China. The imperialist press, cashing in on this situation, is doing its best to sow maximum confusion. Consequently there are among friend and foe alike as many versions and interpretations of the events as there are groups. The most serious critics, including those who are committed to the defense of the Chinese Revolution, start with Mao Tse-tung, the man, and what they call "Maoism" or "Maoist bureaucracy," as their point of departure. Each one has his own pet theory as to the beginning and the cause of the Cultural Revolution and from this deduces the likely end, defending his viewpoint by quoting incidents here

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and there, real or imaginary. In some cases genuine excesses are cited as proof that the Cultural Revolution is a retrogressive movement in the interests of a bureaucracy. (It would be surprising indeed if there were no occasional excesses in an event of such magnitude embracing a population of seven hundred million.)

It is always necessary to remember that once a heated polemical controversy starts, both sides are pushed by the logic of their basic positions to their extreme poles. Bearing this in mind, and in the absence of documentary information, anyone who watches the development of the Cultural Revolution which claims to be under the direction of the Communist Party and Chairman Mao, is forced to rule out the contention that the struggle is against a bureaucracy headed by Mao Tse-tung. There is room for belief that there is a split in the Party and even that Mao, finding himself in the minority, appealed over the head of the party to the masses. But the Cultural Revolution is certainly not a revolt against Mao. Whatever touched it off, the pattern of development is now clearly emerging. What in China is known as Chairman Mao's "mass line" crystallizes itself in what is called the "Combination of Three in One." This means management committees created in the various factories and communes, on the basis of an equal number of representatives from:

(a) Workers' organizations,
(b) Party cadres,
(c) Members of the People's Liberation Army.

This formation extends also to the provincial level. At the moment all these committees are known as Revolutionary Provisional Committees. The overall effect is that for the first time the workers in the factories and peasants in the communes are drawn into participating in the decision-making organs. Their very language is revealing. How often does one hear the pregnant statement from the lips of the workers, "At this factory we have seized power," repeated with pride at the various factories and communes.

If this is the fundamental aim or achievement of the Chinese Cultural Revolution, then it has lessons for all mankind. To put it at its lowest interpretation, it might be said that it is solving a problem that has confronted all the socialist states to

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date. The theory of the dictatorship of the proletariat has in practice been translated into a dictatorship of a party in the name of the proletariat and this in turn has degenerated into a dictatorship of a bureaucracy in the name of the party on behalf of the proletariat. If our interpretation of the Chinese events is correct, then the term Cultural Revolution is misleading in that it does not convey the full dimensions of its real aims. What is taking place is a political revolution, a class struggle whose aim is the seizure of effective political power by the proletariat assisted by the peasantry. In such a situation, there is no need for artificial incentives or even monetary inducements to increase production. A highly politicized working class which knows the requirements of the country and which sets the targets for the year, will see to it that the quotas are fulfilled. If our assessment is correct, then the present state of convulsions in China is of world-wide significance and opens a new perspective for the world revolution.

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INCENTIVES TO WORK AND THE TRANSITION TO COMMUNISM

BY HANS BLUMENFELD

One of the main insights of Marxism which sets it off from Utopian socialism is the recognition of the fact that "the leap from the realm of necessity into the realm of freedom" is, measured on the time scale of a human life and even of recorded history, not a leap, but an entire period of transition. During this period man, by transforming society, transforms himself, gradually emerging from the crippled state to which capitalism has reduced him to the status of a fully developed human being. Marx called this transition stage "the lower stage of communism"; in contemporary parlance it is usually referred to as "socialism." In economic terms it is characterized by consumption of the social product according to work performed rather than according to need.

Marx defined very clearly the two conditions necessary for the achievement of the later and higher stage, one objective and one subjective. Objectively, it is necessary that the wells of social production spring abundantly; that is, productivity must be greatly increased. Subjectively, men must recognize the forces of society as their *forces propres*; that is, they must identify their interest with the increase of social rather than of private wealth and their pride with collective rather than with individual achievement.

The Great October Revolution, like all subsequent socialist revolutions, attempted to deal with both of these tasks simultaneously. But the weight and priority assigned to each of them

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has varied over time. Half a century of Soviet history has brought to the fore certain inherent contradictions in the means required to solve the two tasks.

The creation of the objective condition, the continuous rapid increase of productivity, require, in addition to and as a condition for a high rate of capital formation, the strongest possible stimulation of all members of society to maximize their efforts at productive work. In capitalist society the main stimulus is acquisition of individual wealth, mainly as purchasing power in the form of money income. There has never been any disagreement among Marxists that this motivation will be present for a long time, the "period of socialism," during which income is distributed according to work. The question under debate is how this motivation—the "material incentive"—can at the same time be strengthened enough to induce high productivity and weakened enough to permit its replacement by the motivation toward commonwealth, the "Socialist Man's" consciousness of solidarity of all members of the human race, the subjective condition for the transition to communism.

"Material incentives," of course, are not and never have been man's only incentive to work. There is the "play motive," the natural desire of a healthy human being to bring all the forces of his body and mind into play. "What is life, if not activity!" exclaimed Karl Marx; and he emphasized that "the all-around development of the human person" could only be achieved when society overcomes "the enslaving subordination under the division of labor." But the need to increase production requires ever narrower specialization. Molotov, in a speech in the 30's, frankly recognized this form of the contradiction between achievement of the objective and the subjective preconditions of communism as a part of the dialectical process of historical development.

There were elements of the play motive in the "Communist Subbotniks," white collar workers enjoying the opportunity to use their muscles as a welcome change from the specialized routines of paper pushing. But by and large the Soviet Union in its first half century has not been able to do more than reduce the most boring and unpleasant specializations of labor and, primarily, to reduce working hours so as to increase "free time" for other activities and to encourage the use of some of that time for socially useful activities such as teaching and learning

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and a great variety of voluntary work in all kinds of organizations.

Closely related to but not identical with the play motive is the creative urge, the desire to do a good piece of work and the pride and joy in carrying it to completion. It is not identical because the process normally involves a great amount of tedious and painstaking labor which is anything but playful. The pride of achievement can hardly ever be separated from the expectation of recognition of the worth of the creation and of its creator by others, be they one's immediate neighbors and colleagues or an imagined posterity. Man is a social being; the desire for approval and acceptance by his fellows and the fear of their rejection and contempt have always been strong enough to determine his entire life and even to cause him to sacrifice it. These motives merge with ambition, with the Homeric injunction "always to be the first and to shine before the others." In this form they may be called the "honor motive," the desire to show that one can do something better than anybody else.

Appeal to this motive has been central in Soviet life. "In our country labor is a matter of honor, a matter of pride and glory" has for many years been one of the most frequently repeated slogans; repeated, in fact, *ad nauseam* as far as contemporary Soviet youth is concerned. The nausea, however, is caused by the slogan rather than the underlying policy. The general form of this policy is known as "socialist emulation," honoring the "best" performance in any and every field. It differs from capitalist competition in theory, and very largely in fact, in that the winner helps his weaker competitors to raise their performance to his level by teaching them his "tricks," rather than attempting to push them down and out.

Socialist emulation applies not only to individuals but also to collectives, work teams, shops, factories, farms, institutions, cities, provinces, and entire republics. Any and all of them are honored by publicity in the mass media and by bestowal of titles and medals. Individuals are also honored (or blamed) by publicizing their names at shop and union meetings and on "red" (or "black") boards, by bestowal of the title of "Udarnik" for regular good work and of "Stakhanovite" for inventiveness and initiative, or of "Hero of Socialist Labor," or other orders and medals.

Immediately after the October Revolution, the Soviet lead-

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ers recognized the need to secure to those members of the former middle and upper classes who were able and willing to participate in the work of building the new society a level of living acceptable to them, inevitably far above the average; and this policy has been consistently maintained. Persons in positions of political leadership, however, should not gain any material advantages but should be paid a "workingman's wage"; for Party members this was fixed as a "Party Maximum" (Part-Max). However, after the euphoric first two months of external and internal peace during the Brest-Litovsk armistice, the storm of the wars of foreign intervention and intervention-supported civil war broke over the country, reducing it to a state of unconscionable misery. There could be no question of money incentives; the value of the ruble had evaporated in runaway inflation. There could hardly be a question of material incentives in natural form when there was barely enough food to keep people alive, and in many regions not even enough for that. The incentives were the dedicated will to defend the Revolution, merging with the patriotic resolve to free the country from foreign invasion. What little there was, was shared. Many believed that this battlefront comradeship and solidarity of "War Communism" could be carried over into peace-time life and lead directly to communism.

Lenin and his comrades preserved their sober judgment. Recognizing that neither the objective nor the subjective conditions for communism, even in its lower, "socialist" stage were present. they resolutely threw the rudder around and embarked on the "New Economic Policy" (NEP). Probably never in history has the leadership of a state or party made so daring a turn. It was no wonder that all enemies of the Soviet Union and many of its friends interpreted it as a return to capitalism.

Capitalism, with all of its worst characteristics, did indeed return. For the workers, as under capitalism, the incentives remained the positive one of trying to earn more wages by more work and the negative one of fear of unemployment. The new exploiting classes, the Nepman and the kulak, flourished to such an extent that Trotsky claimed they had infiltrated the Party and would take it over, and that the building of socialism in one country could never succeed.

However, during the years of the NEP the systematic build-up of the socialist sector which occupied the "commanding

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heights" of the economy created the objective precondition for the transition to socialism; while tireless political education and far-reaching welfare-state measures, primarily in the fields of public health and public education, by winning the trust of the population, created the subjective precondition. The First Five Year Plan for the rapid development of heavy industry and the collectivization of agriculture accomplished the transition. The NEP came to an end, its exploiting classes disappeared. The Nepman went out with a whimper, but the kulak went out with a bang that shook the country to its foundations. All energies were concentrated on building up industry bigger, better, and faster; "everything for production" became the dominant slogan. Unemployment was replaced by permanent "over-employment," with demand for workers (as for goods) constantly outrunning the supply. The classical negative incentive to work, the fear of unemployment, disappeared, never to return. No manager dreamed of firing anybody; on the contrary, all "hogged" workers in order to have them at hand for the day when the always-delayed supply of machinery, spare parts, or raw materials would arrive and permit them to catch up with their production schedule. In order to draw one's weekly wage, it was sufficient to be present at one's place of work —and in some cases not even that all of the time. Many of the "new" workers, the peasant boys and girls who flocked into industry and construction, wanted no better. The "old" workers who continued to do an honest day's work grumbled. Average hourly productivity—the average of those who actually worked and those who did not—dropped, at a time when raising productivity was a question of life or death for the Soviet Union.

It was clear that in this situation the flat weekly wage was no longer an effective incentive to work, and it certainly did not satisfy the principle of "to each according to his work." It was replaced by "progressive piece work"—progressive meaning that work performed in excess of an established "norm" was paid at progressively higher rates. The norms, though they were periodically revised upward, remained low enough to permit practically all workers to earn more than their basic weekly wage—50 percent and sometimes 100 percent more. How generally this was accepted may be illustrated by an example which I witnessed in 1934. One of the draftsmen of our project office claimed that he was entitled to a bonus, because in each of the

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preceding three months he had earned more than twice his salary!

Some time near the beginning of the First Five Year Plan, unheralded and hardly noticed, "Part-Max" also disappeared. It had never become a reality. During "War Communism" money earnings were meaningless. But people in positions of leadership could not have performed their arduous tasks if they had been forced to share the prevalent misery of starvation, freezing, and endless queuing. They had to be and were given substantial material privileges. Indeed, one of the arguments adduced in favor of the NEP was that it would do away with these privileges. However, the gap between the general level of living and the minimum required to sustain the work of responsible leadership was still too great to permit abolishing them; instead they were gradually reduced. When, shortly after my arrival in the Soviet Union in 1930, I expressed my concern over the disappearance of "Part-Max" to a comrade and colleague, he laughingly replied that thanks to such privileges he had lived better as an administrative official during the NEP period than he lived now on his normal salary as head of an architectural office.

Salaries for such "specialists" had remained considerably higher than those of factory workers. Their beneficiaries were mostly members of the "old" intelligentsia who as late as 1930 occupied most professional-managerial positions, up to and including those of Technical Directors. This was in conformity with the policy established at the time of the October Revolution to win them over by adequate income as well as by political education. Now, caught up in the enthusiasm of the First Five Year Plan, many applied for and were admitted to Party membership. The slogan became "specialists must become red and reds specialists." The "reds," the children of the working class who had received their education in Soviet schools, just at this time began to be graduated en masse and to enter the economy. Almost all of them had been Komsomols at university. Now many joined the Party; but many who were not willing or able to carry the considerable burden of voluntary work mandatory for Party members, did not join or were not admitted. Should those who carried the burden be penalized by receiving less pay than their fellows? Should the members of the old intelligentsia who had joined, see their salaries reduced by one half or three

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quarters? "Part-Max" had become untenable; it had to go. With it went the noble experiment of attempting, long before the achievement of the "higher stage," to set a living example of "Communist Man," a preview of work performed without material incentives.

The principle of pay according to work performed, first introduced as "progressive piece work" in factories, was gradually extended in a variety of forms to white-collar and professional work. Managerial work was still paid at a fixed time-rate because its performance was difficult to measure. This led to some strange anomalies. The men on the lowest managerial level, foremen and team ("brigade") leaders, had to perform two functions: to supervise, teach, and assist the other members of the team, and to take part in production. For the first task they could receive only their salary, for the second, paid at piece rates, they could earn twice that much. Naturally they concentrated on the second and neglected the vitally important one of training the other less experienced members of their teams. On the middle and upper levels it meant that the manager frequently earned less than his subordinates; and able men began resisting promotion to management positions. A way had to be found to reward managers also according to work performed. This was done by bonuses given according to the performance of the collective: team, shop, department, factory, or office. As is the case with honors, bonuses are given not only to individuals, but also to collectives who then, through their trade union and management, decide how to use or distribute them.

The extension of the principle of pay according to work performed to all types of work brought to the fore the question of the measurement of performance. The obvious first dimension is time, the hours of work. Equally obvious is the second dimension, intensity: if A lays 200 bricks per hour and B lays 400, the intensity of work performed by B is twice that of A. But increase in productivity requires not primarily greater intensity of work, but a different, more specialized, more highly "qualified" work. People had to be induced to expand this third dimension, to improve their qualification by learning, on the job and/or by part-time or full-time study. Neither the "play-motive," the fact that more highly qualified work is generally more interesting, nor the honor motive, the fact that it

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may convey higher status, seemed to be quite sufficient. Material incentives were added: higher pay for higher qualification.

A far more intractable problem was posed by the measurement of the work performed by collectives, primarily factories. During the first Five Year Plan, with its emphasis on quantity and speed, bonuses were given for over-fulfillment of the planned target and for delivery prior to the planned date. It was soon apparent that these goals were being achieved at the price of higher per-unit cost. "Qualitative" indexes were introduced to counteract this. Subsidiary bonuses were given for minimizing cost, consumption of raw material and power, and number of workers. These certainly counteracted; but how could one know whether by too much or too little? How much weight was to be given to each of these indexes? This could only be answered by measuring a cost-benefit ratio; and this ratio is expressed as the "profit" of the enterprise.

In a cost-benefit ratio one side must be fixed. In the Soviet economy the cost is normally fixed by the budget allotment to the enterprise. The benefit can be measured in purely quantitative terms only if the product is completely uniform, such as kilowatt-hours. It would be hard to find a second example of a completely uniform product. The more the economy develops, the greater the variety of goods and services it produces. They differ in quality, that is in utility. Who can determine their relative utility but the user, be he an individual selecting a piece of clothing or a factory selecting a raw material or a piece of machinery?

The substitution of profit for some combination of countervailing indexes introduces a better and simpler measuring rod of performance in place of a poorer one—poorer primarily, though not exclusively, because it failed to measure the quality of work performed. Otherwise the substitution changes nothing. It does not even mean, as is being claimed by the advocates of the new system, giving the manager a new freedom to choose between different lines of production. He always had that freedom. But the new measuring rod produces a more favorable attitude toward innovation, while the old one was an incentive to continue routine which, because it was established, promised to result in greater quantities—and therefore in a higher bonus. I cannot share the opinion of those who claim that it is in some

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way a step in the direction of a "return to capitalism." It is a completely consistent application of the socialist principle: "to each according to his work."

If there are dangers, they lie in a different direction. Managers may, as do their capitalist colleagues, try to persuade consumers of some nonexistent utility of their product, by means of advertising or any other of the more or less fraudulent tricks of "salesmanship." It should not be too difficult to keep any such attempts under control; so far no signs of them have been detected.

What really disturbs socialists is the great difference in economic and social status between the more and the less "qualified" members of Soviet society. As noted earlier, the Soviet Union from the beginning tried to assure to the members of the old intelligentsia who participated in socialist construction a level of living not too far below the one to which they had been accustomed. In Tsarist Russia this level was very much higher than that of the workers. The differentiation in material rewards according to qualification, introduced at the time of the first Five Year Plan, increased the difference in earnings between more and less skilled workers; as far as the "higher qualification" of the specialists was concerned, it merely confirmed and systematized the status quo. While Soviet people are loath to admit it, this status was mainly the result of market forces: in any "underdeveloped" country, well-educated people have a "scarcity value." As the great educational efforts of the Soviet Union transform a rapidly growing proportion of its population into highly qualified people, this reason for economic and social inequality loses its strength.

Stalin, in his outspoken contempt for "petty-bourgeois egalitarianism," was bent on erecting a multi-layered pyramid of qualifications. Only one of his measures went in the opposite direction: the stimulation of the Stakhanov movement, which gave to the outstanding worker a higher economic and social status than to the run-of-the-mill engineer. This was a wholesome corrective to the fairly massive superiority complex of the engineers. But as most Stakhanovites availed themselves of the ample opportunities offered to increase their qualification further to that of engineers, its lasting effect was limited. At the end of the Stalin era, inequality was alarmingly wide.

Khrushchev initiated several measures to correct this. Pen-

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sions and the wages of the most poorly paid categories were raised, while high earnings were frozen and in a few cases even reduced. The introduction of the universal polytechnical school and the requirement to work two years in production before entering university certainly tend to decrease the gap between workers and intelligentsia and to increase equality of opportunity. In principle more far-reaching was the establishment of boarding schools. The idea is, of course, not new. Thinkers bent on strengthening identification with the nation—or with its ruling class—and on equality and solidarity among its members have always advocated it; Plato's *Republic* and Fichte's *Speeches to the German Nation* come to mind. The objections are equally familiar.

During the last few years little has been heard about the boarding schools. However, the continuing expansion of early preschool education certainly tends to reduce the inequality of opportunity inherent in family education. At the same time, the more rapid increase in the income of farmers than of workers and their inclusion in the urban social security system is reducing another important aspect of inequality.

Economic inequality will of course continue throughout the "lower stage," as long as wages and prices exist. It is inherent in the principle "to each according to his work." But material incentives are not identical with the existence of an economically and socially privileged upper layer or upper class. The one can exist without the other. There were no material incentives for the individual members of such ruling classes as the ancient Spartans or the Incas or the Jesuits of Paraguay; and there may well be a society in which remuneration differs according to performance between people performing the same type of work, but not between those performing different types of work. As differences in educational level decrease, more and more people may perform different types of work during different periods of their life, or even during the same period. There is nothing in the socio-economic structure of the Soviet Union—there may be in its political power structure—to prevent this from happening.

At present certainly one of the dominant goals of the Soviet people is to have more money. The overwhelming majority tries to achieve this by performing more and better socially useful work. There are few other legal means left—playing the horses

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or maybe winning a few rubles in a poker game. Even the gains from having drawn a lucky number in the lottery-distribution of interest on the government loans of the Stalin era are running out. Courts and police are busy blocking the many illegal ones, notably black market dealings. They can be successful, of course, only if they are strongly supported by public opinion. While the evidence on this point is far from unequivocal, this support appears sufficient to prevent black marketing and similar "white-collar crimes" from becoming a significant source of income.

However, the more accurately earning power reflects the value of work performed and the more it becomes the representative symbol of that performance and of the social status accorded to it, the more it becomes respectable to be rich and disrespectable to be poor. Money is not only a means to satisfy personal needs and wants, but also a means to gain status, "to shine before the others." But one cannot shine if the status and the money that symbolizes it remain invisible. The familiar way to make it visible is conspicuous consumption—"keeping up with the Joneses" and getting ahead of them in the acquisition and display of expensive goods and services.

Conspicuous consumption is obviously on the increase in the Soviet Union. The clearest sign of this is the growing interest in fashions. One is interested in fashionable clothes not because they are particularly comfortable or beautiful—they rarely are—but because being fashionable conveys status; and it conveys status because it demonstrates that one can afford it. But if the Kuznetsovs succeed in catching up with and getting ahead of the Ivanovs, the Ivanovs will bend all their energies to catch up with and get ahead of the Kuznetsovs. Striving "always to be the first and to shine before the others" is an endless spiral —in the field of conspicuous consumption as in any other.

An unending chase after the ruble can hardly develop the conscience of "Communist Man." Has the very success of the Soviet Union in using material incentives to speed up the creation of material affluence, the objective precondition for the transition to communism, destroyed the possibility of ever creating its subjective precondition, human solidarity? Have the developments during the first half century of Soviet power created a block to the transition to the higher stage? These developments have created a socialist society, certainly no mean achievement. But as long as this stage continues, society cannot yet "transcend

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the horizon of bourgeois law" (or "civil law": Marx's term *bürgerliches Recht* may mean either), cannot "free man from the slavish subordination under the division of labor," cannot "overcome man's alienation from himself and from society," cannot "replace rule over men by administration of things." Has Soviet society become "stuck" forever in this lower stage? Maybe—and maybe not.

On the "higher level," when there is no longer any price for goods or services nor any money to buy them, there can be no conspicuous consumption. Under such conditions accumulation of goods would earn not honor but contempt. Even in acquisitive North America, nobody at a cocktail party stuffs his pockets with "free" caviar canapés. There is no law against it; but he knows that he would be regarded as a hog by everybody around. The mores of society can be relied upon to keep man's consumption according to need within reasonable bounds—there is no block here.

But at present the Soviet Union must still rely on wages and prices. The transition to communism can only be achieved by a gradual extension of free goods and services, accessible to every one according to his needs. Such expansion is proceeding, with many services being free and many important goods, notably housing and books being "semi-free," i.e. sold at prices below their cost of production. The share of the total social product allocated to social consumption is increasing steadily, if slowly, at the expense of the share of individual, paid-for consumption. The workers producing the free goods and services of course have to be paid, just like those who produce goods for sale. The money to pay them has to come out of the prices paid for the goods which are sold. At present this is done in the Soviet Union by the turnover tax and by profits added to the cost of production of these goods. In a socialist economy the distinction between profits and taxes is purely nominal; both are forms of the difference between the total of money received by the sale of goods and services and the total of money paid (ultimately wages) for their production. As more and more goods and services are freed from prices, the prices of those that still are sold must be raised. More and more money must be spent to buy fewer and fewer goods.

This creates a problem. Assume that two thirds of all goods and services are free but that one of the remaining paid serv-

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ices is, say, the repair of television sets. Assume that the public repair service pays its worker one ruble for performing this task. Then it has to charge three rubles to the customer (omitting cost of material, overhead, etc.). It is obviously to the advantage of both producer and consumer if the worker performs this task "privately," after hours, for two rubles. But the two rubles which the public enterprise would have received are no longer available to pay the workers who produce the free goods.

This kind of "black moonlighting" is at present less widespread in the Soviet Union than in Poland and Hungary. It is tolerated on the assumption that it will become more and more marginal as large-scale industry, based on machinery and division of labor, takes over practically all production. This assumption may be erroneous. As large-scale industrial production becomes more and more automated, the percentage of the labor force engaged in those types of work which cannot be automated is likely to increase.

Continued tolerance of this kind of private enterprise may well set limits to the proportion of the total social product which can be made available free of price. It can be eliminated obviously not by police measures, but only by a very high degree of social consciousness of both partners in the "deal," the worker and the customer—only if they are much less concerned with earning and saving, respectively, money than they are now.

Would a situation in which only a small proportion of all goods and services are sold, all others being free, weaken the attraction of money? As far as the pursuit of money for the satisfaction of one's personal needs is concerned, certainly yes: as far as it is pursued as a means for conspicuous consumption, maybe not. For the display of conspicuous consumption, it is quite irrelevant *what* is being displayed—provided only that it does cost a lot of money. One might imagine, for argument's sake, that *all* goods were free, except diamonds. Then the only method of conspicuous consumption would be the display of diamonds. Pieces of glass could be substituted and fulfill this function just as well as diamonds, provided they cost the same. Their function would, in fact, be exactly the same as that of a medal of honor, such as the "Hero of Socialist Labor" medal. They would have value only as symbols of the value of the work performed by the bearer, presumed to be exactly reflected in his earnings. (Where the presumption is that money is the

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result of shady dealings, as under the NEP and even in wartime Europe, conspicuous consumption confers not honor but shame.) Money would have been reduced to an indirect symbol of honor; it probably soon would be displaced from this role by other, more direct, symbols. The "material incentive" would have been replaced by the "honor motive": the desire for the appreciation and respect of one's fellows, the very root of man's existence as a social animal.

There is no reason to assume that this motive would not or should not operate in a communist society. It would not interfere with the principle "to each according to his needs"; everybody could satisfy his needs free from the limitations of prices and purchasing power, within the bounds set by the mores of the community. Ambition, the desire for honor, would continue to stimulate men to work according to their ability. Work "according to one's ability" is not only or primarily a duty, but a right: the right to develop all one's abilities, the right to the "all-around development of the human person" which is the ultimate goal of communism.

The Soviet Union may remain stuck in the lower "socialist" stage, or it may yet develop toward the higher stage of communism. The next fifty years will tell.

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SOCIALISM SELF-DEFINED: 1917 AND 1967

BY RUDOLF SCHLESINGER

In the Preface to his *Critique of Political Economy* Marx locates the origin of revolutions in the contradictions between the development of the productive forces and the institutional setting of a society, and demands a clear distinction between the actual content of revolutionary action and the ideas formed in the minds of the acting persons. He goes on to say that "No social order ever disappears before all the productive forces for which there is room in it have been developed; and new higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society." Marxists take the second part of this statement as referring to the growth of a working class disciplined and made capable of collective action by the dynamics of the capitalist production process (for this reason they are bound to regard the Maoist emphasis on revolutions without a leading role of the working class as utopian, if not worse), as well as to the elements of organization already created by monopoly capitalism. Here it should be noted that elements of planning have been introduced in most of the advanced capitalist economies—not, to be sure, uninfluenced by the competitive example of the socialist countries.

In view of the spectacular growth of productive resources in the capitalist world also, and of the visible improvement of the conditions of the working class in the leading capitalist countries, the first half of Marx's statement would point to the

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impossibility of socialist revolutions in our day *provided that Marx's frame of reference were preserved,* i.e. an internationally homogeneous society governed by worldwide molecular reactions. But precisely on this point the Marxist scheme fails. To be sure, Marx in 1859 was no longer so abstract nor so conditioned by the assumptions of his opponents, the classical bourgeois economists, as to neglect the fact that no social formation exists except in national realizations, and that the specific characteristics and interrelations of these national realizations play an important part in a society's overthrow. Moreover both he and Engels were fond of analyzing past revolutionary processes —including some which took place centuries earlier—in terms of social antagonisms still burning in their own time. Nevertheless, they spoke in terms of a bourgeois transformation already concluded which was to be followed soon by a socialist transformation to come. They failed to take into account the fact that the abolition of serfdom even in leading countries such as Russia, the United States, and Japan, was to take place only during the decade *after* the writing of the Preface to the *Critique of Political Economy,* i.e. at least 300 years after the start of the process with the struggle of the Netherlands against Spain. In the interim there had even been periods of comparatively successful application of feudal methods to the development of productive resources. As an example, Peter I's effort to develop Ural metallurgy on a capitalist basis failed and had to be replaced for a while by the use of serf labor. It was only by the end of the 18th century that the contradictions which eventually led to the abolition of serfdom became obvious. The assumption of a comparatively homogeneous international free trade society—politically supported by the speed with which the economically overdue revolutions of 1848 had spread all over the continent in a matter of weeks—offers some explanation for the drawing of far-reaching political conclusions from what was at best a first stage in the approximation to reality of a general economic abstraction. It may be added that this theoretical error was conducive to the promotion of that international solidarity without which the working class would have achieved nothing at all, not even the kind of reforms demanded by moderate national socialists like Lassalle and the economic basis for which was being created by the very progress of capitalism.

But a contradiction between the ideology of a movement

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and the tasks which it actually faces does not cease to be a contradiction by being explained: the internecine struggles in the labor movement during and after the First World War did not lose in sharpness because of possible theoretical insights into the reasons why social patriots and centrists were what they were. That 1917 was not a belated 1848 but a real turning point in history reflects the fact that the inapplicability of Marx's general condition for revolution to the 20th-century setting is offset by the incorrectness of his abstraction—by the fact that capitalism, though in general truly capable of developing further productive resources, had lost its ability to do so in certain places and in certain respects. In particular it had lost its ability to develop "underdeveloped" countries without *widening* the chasm between their conditions and those of the leading imperialist powers; and it had become incapable of disposing of the surplus product essential for technological progress without resort to the military market generated by the operations of what is today described as the "military-industrial complex." Both tendencies have become more obvious during the half century since 1917, but they were already evident enough even then. Russia, the junior partner in an imperialist alliance, driven to hopeless exertions while its most urgent tasks of development were subordinated to the interests of foreign investors, was the most logical focus of these contradictions. To the *relative* maturity of the situation were added the organizational and personal factors the importance of which can hardly be overestimated, under conditions in which mere molecular processes of the character postulated by Marx and by followers of his such as Rosa Luxemburg would have been incapable of creating a new setting, a potential heir to the capitalist regime. Lenin solved the problem by linking the organized revolutionary elite, consisting mainly of young intellectuals, with the young labor movement. In this way Marxist ideology, the elite's acceptance of which had meant a break with its peasant-oriented past, was turned into a potential tool of industrialization. Expectations of a "world revolution" (more precisely, of a revolution embracing large sections of the working class of the industrially developed countries) served as a cover under protection of which the revolutionary elite—by 1917 as much of proletarian as of intellectual origin—could be consolidated on a consistently revolutionary basis and could adhere to its chosen course even against

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apparently overwhelming odds. Stalin, involved in the competition for Communist Party leadership and predictably reacting to Trotsky's emphasis on the conclusions to be drawn from the defeat of the German workers in 1923, completed the turn by finding the legitimacy of the Party's rule in the "building of socialism in one country." At the same time he changed the Party's character by the "Lenin recruitment" of 1924, i.e. by admitting to its ranks those sections of the working class which, though comparatively remote from the dogmatic disputes of the earlier period, were prepared to function as the cadres and leaders of Russia's industrialization. This process, implying "primitive socialist accumulation" (to use Preobrazhensky's blunt but correct formula), contradicted the egalitarian conceptions of early socialist ideology. But unless the working class is identified in a purely idealistic way with ideologies which played a certain part in its consolidation, it is incorrect to speak (as do Trotsky and Deutscher) of the process by which the Party found its new task and structure as "substitutionism": never before had it been so working-class in its composition, and never would it have been capable of overcoming the enormous difficulties facing the "second revolution" had it remained a mere intellectual elite. On the other hand, by becoming the leading force in the new Russia it also became the carrier of a new Russian nationalism, modified only in that (with restrictions partly based on Stalin's personal equation) it was multinational in its objectives.

The personal element remained important in the process of orientation and consolidation of the new state, though not to the same extent as in its foundation. (In all likelihood there would have been no October if Lenin had been eliminated in, say, July of 1917; while the elimination of Stalin at the culmination of the succession struggle would have still left Trotsky to carry through the operation—probably with the same brutality and perhaps with the same success. In that case, of course, he would not have been the one to denounce "bureaucratic degeneration.") The personal factor appears in the reckless denunciation as some kind of treason of any definition of aims incompatible with the officially declared ideology. (As a formula, incidentally, "socialism in one country" lost its meaning when, after the Second World War, the Soviet system ceased to be confined to one country while, as even Molotov would agree a

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few years later, still not being fully socialist.) Stalin's refusal in 1926 to accept formulas such as "building the socialist society" (as distinct from "full and complete socialism") by which he could have rallied virtually the whole party, including the Trotskyist and Zinovievist oppositions, was partly the expression of his abandoning the concept of the undivided rule of a "monolithic" party (i.e. a party not divided into sub-caucuses) in favor of that of undivided personal rule. The tragedies of the 30's followed from this approach.

But the personal equation was also a reflection of a change in the situation of socialism from the days when it was a mere program. Apart from youthful hopes about "ending alienation" in a near future, socialism had meant, for Marx and Engels, abolition of private ownership of the means of production and their administration by national planning. In this sense, it *was* a real possibility in the isolated USSR. In a broader sense, which is surely that which will give it its final justification, it was not and will not be even when another score or two of underdeveloped countries join the vanguard formed in the aftermath of the Second World War. Stalin was the man who, with unequalled ruthlessness, saw only this war and the need to win it; he thereby made "de-Stalinization" a primary necessity once the war was won and the first difficulties of postwar reconstruction —few in the West have any idea of the fantastic hardships which were involved—were overcome.

Like Lenin and Trotsky, Stalin retained quite a lot of the utopian element. It manifests itself not only where it was excusable as a psychological justification for the enormous efforts required for the "second revolution" and the war, but also where it amounted to a generalization arising from temporary shortages and emergencies (as in the emphasis on the aim of a non-commodity economy as late as 1952 in his *Economic Problems of Socialism*), and where it was even positively harmful as in the development of dialectical materialism into a "counter-theology" excluding positive scientific achievements (most clearly, but not only, in the field of biology) and raising the temporarily successful economic organization of the period of "primitive socialist accumulation" to the status of an image of socialist society in general and not just of its foundation stage in a backward country. It follows that de-Stalinization implied the rejection not only of an individual and his methods or even

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of the deformation of the socialist state into a state of arbitrariness: these things had to be rejected in order for the Party to be able to reassert its authority. In addition there had to be rejected a whole system of dogma built around emergencies and excesses (often justifying the latter) which clearly put a powerful brake on further progress.

This pattern, which was subject to ups and downs within the USSR in response to changes in the international situation (especially in its "side-shows" in the cultural field), has been questioned from two sides in the socialist camp. In China, on the one hand, de-Stalinization is regarded as an expression of "modern revisionism," while in Yugoslavia on the other hand an interpretation of Marxism in terms of the young Marx, with emphasis on categories such as "alienation" and "reification," is preferred. In view of the predominantly peasant structure of both countries and the close association of their attitudes with certain approaches to economic problems (to which we shall presently return), it is difficult to avoid the impression that the Chinese and Yugoslavs, faced with the enormous difficulties of turning late 20th-century socialism into the predominant system on a global scale, are retreating into pre-Marxian socialisms of the Blanquist-voluntarist and utopian-idealist varieties respectively. Apart from nationalist self-assertion, the Chinese approach is strengthened by the desperate mood of the masses in the underdeveloped countries and by the fact that these countries at present serve as the immediate targets of United States "escalation" efforts, the Yugoslav by the impact which the threat of war and the conditions of the colonial world make also upon groups which by their very nature are alien to Marxist analysis, such as the Roman Catholic Church. It would be a mistake to assess the relative importance of the two trends just referred to by mere reference to population figures.

In the all-important economic field, the basic position of the Soviet Union (and, with variations of detail, of most of the rest of the socialist bloc) is characterized by an emphasis on *guidance,* which is the party's *raison d'être* as the continuing essence of the system. Two methods of guidance are distinguishable, the one direct and administrative, the other indirect, by means of the market. One-sided emphasis on either method—as in the Stalinist tradition to which some Soviet economists and,

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a fortiori, the Chinese still cling, or as in the "revisionist and reformist" conception of a "socialist market economy"—is rejected. These two misinterpretations of the basic approach should not be confused with technicalities, such as the use of mathematical methods and computers (which can be helpful in clarifying the implications of central policy decisions); or the role allotted to "profits," for example through the diversion of part of the surplus product of the unified socialist economy as an incentive to those most immediately concerned with its achievement.

The resulting situation of the USSR—an immensely powerful state which guarantees to its citizens continuously improving standards of living but is clearly non-egalitarian and to some extent bureaucratic—has been criticized and attacked from different sides. (We do not refer to the criticisms of its imperialist competitor which of course likes to see its opponent weakened, and even with Vietnam and Greece on its own scoreboard is not ashamed to denounce the USSR as "undemocratic.") The heart of these attacks is the obvious failure of present state socialism to end "alienation." Utopias aside, I can see in the argument no more than an emphasis on the democratic element in socialism and a demand for its radical strengthening, which is also important after de-Stalinization as a rejection of the (currently Maoist) cult of the leader as well as for the prevention of a one-sided emphasis on material incentives which, if carried to extremes, might indeed produce some kind of "managerial society." Such criticism further provides a useful reminder that the period of socialist transformation of society is *not* ended after the first half century of the socialist era. As a Marxist who believes that everyone's thought is conditioned by the circumstances of the society in which he lives, I feel quite incapable of ascribing to the writings of the young Marx, one of the main sources for this kind of argument, more than, at most, some heuristic value. Certainly, if the aim of the socialist movement is defined as the achievement of a classless society in a deeper sense than the institutional abolition of private property in the means of production, then the problem of socialist democracy, i.e. of identification of the new society with its citizens, is fundamental. In principle, three different approaches to its solution are being tried.

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(1) In the 1961 Program of the CPUSSR the solution which is described—unnecessarily, except from a propaganda point of view—in terms of preparation of the institutional setting of complete communism, hardly a practical aim of the 20th century, is seen in the development of production democracy and in the administration of an increasing section of that part of the national product which can be devoted to personal consumption and communal services by autonomous bodies of the citizens concerned. This perspective is realistic on the assumption, certainly valid for the USSR and the other more advanced socialist countries, that there is enough product to distribute to interest at least a large minority of the citizenry in participating in decision making. Nevertheless it seems that the scope of production democracy will be restricted for a long time to come by the distinction, at present growing more rather than less sharp, between scientific-specialist and non-specialized labor. The gaps thus opened imply the acceptance of an amount of bureaucracy which is not necessarily diminished by closer approaches to technical rationality and by limitation of the propagandist element.

The conception of working-class democracy predominant among Communist Parties not in power is similar, though in inverted order: mass participation in the bodies destined eventually to administer a socialist society starts from actual practice within capitalist society and from the workers' partial successes in defending their sectional interests. These experiences may eventually be supplemented, perhaps in reaction to an acute danger of war or to an effort at an anti-democratic coup by vested interests inside and outside the country, by the taking of political power by the organs of the working class, if possible in collaboration with other sectional interests. (In recognizing this eventual need, this concept differs from actual revisionism.) This taking of political power would be followed by the introduction of priority planning for social purposes rather than war (or a reconstruction of already existing planning machinery in this sense). In either case, the planned character of the society to come derives from its rationality, while its democratic character derives from the willingness of its citizens to assist its functioning and to insure the optimal utilization of resources made available for social services. This concept differs from the mere welfare state since it includes the elements of planning according to national needs and of maximum participation of members

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of society in its operation. (There is, however, no sense in denouncing the welfare state as such: it is deplorable that before 1966, Russian peasants could not get normal social benefits and guaranteed wages on a level with workers on the state farms; and it was certainly the duty of the Soviet leaders to rectify this state of affairs as soon as it was materially feasible.)

(2) The Maoists believe that they can perpetuate—or rather regenerate—mass activity in their society by perpetuating the state of rebellion which, according to Mao, is inherently good, apparently independently of whom and what the rebellion is directed against. At present it is against their own Communist Party or at any rate against its leadership (other than the charismatic leader himself) which is "taking the capitalist road." Presumably a leadership is bound to do this if there is any relaxation: "Khrushchevian revisionism" seems to be regarded as the normal course of any 20th-century socialist revolution which is left to its own logic. We are here facing a straightforward outbreak of revolutionary romanticism embellished by an idealization of the struggles of colonial peasants against imperialist overlords ("the world countryside against the world city"). No one dares ask what kind of society such rebellions, even if repeated scores of times as "cultural revolutions," would produce if left to their own resources.

Even if we suppose, what is quite possible, that the next revolutionary outbreak will occur in an ex-colonial country with an overwhelmingly peasant population and that guerrilla war does indeed play an important part in shaping its new institutional setting, still nothing could spare that country the need to make up in prolonged and patient reconstruction work for its initial backwardness, and to promote that reconstruction by suitable incentives.

(3) The Yugoslavs see the solution in the creation, allegedly already under way, of relations in which the working people, by freeing themselves from the tutelage of political bodies which have become independent authorities dispose of the product of their labor and manage their social affairs.* Thereby "a new motive force is being born . . . personal and social interests of

* The Yugoslav position is stated in the *Draft Theses* on the further development of the League of Communists of Yugoslavia, Supplement to No. 411 of the Belgrade *Review of International Affairs*. The following quotations are taken from this source.

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freely associated producers"; "the introduction of self-management and income distribution according to labor input in all spheres of activity" together with "the abolition of a division into managers and executors, the transformation of managerial functions into an instrument of associated producers acting on an equal footing and the elimination of differences based on functions in the managerial hierarchy" are described, in what Marxists would regard as a utopian way, as elements of "a future which has already begun." The existence of "blind non-socialist forces which tend to treat social property as a group ownership" is recognized; and it is regarded as the task of the League of Communists to oppose them (much of the possibility of distinguishing between the Yugoslav pattern and an ordinary cooperative-capitalist utopia depends on the extent to which the League proves capable of preserving the essential characteristics of a party in the Leninist sense). But the unavoidable conflicts "do not have the character of irreconciliable class contradictions and can therefore be resolved by democratic means within the mechanism of self-management." One wonders about the functions, in such a conception, of the state, and about the possibility of properly defending the interests of the more backward Yugoslav nationalities in economic growth, a defense which is clearly irrational from a short-term point of view within a framework of enterprise self-government.

These seem to me to be the main lines along which the self-definition of socialism proceeds, a half century after the October Revolution. Though my own preferences may appear clear to the reader, I would reject the application of bell and candle in the debate; and even the assertion that the solutions which in my opinion best serve the further development of the socialist movement cannot be more than *very* provisional, bound to become obsolete with its next major step forward.

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